HOUSE OF COMMONS DEBATES

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HOUSE OF COMMONS

Wednesday, November 27, 1991

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

WELFARE

Mr. Stan Keyes (Hamilton West): Mr. Speaker, in my home town of Hamilton, Ontario, the unemployment rate in October stood at 10.3 per cent. That is up dramatically from 6.8 per cent recorded in October of last year.

The welfare caseload in the regional municipality of Hamilton—Wentworth is swelling. There has been a steady growth in those families and individuals who must rely on welfare since as far back as 1989. The welfare caseload is up by 56 per cent from last year. There are presently 14,000 people on welfare in the region.

The government's economic mismanagement has created an overlap problem involving regional welfare payments and UI benefits. Waiting an average of eight weeks for their unemployment cheque, applicants are eligible to collect welfare, and when they get their retroactive UI benefits they are supposed to repay the welfare. Alas, few do, and that is costing the region more than $2 million a year. The region wants the moneys owed for welfare deducted at the source from the UI cheque—a reasonable request to make the system fair.

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PARLIAMENT HILL

Mr. Peter L. McCreath (South Shore): Mr. Speaker, I see once again that fake Christmas trees are adorning the halls of Parliament. What a shame. What a disgrace. What a terrible environmental example. So much for the greening of the Hill. Real Christmas trees are environmentally friendly, they are beautiful, they are a renewable resource, they are Canadian, they even smell nice.

I think it is time Parliament set the example, threw out the fake Christmas trees and replaced them with beautiful and real Christmas trees.

Mr. Speaker, if Parliament does not have the sense to do so, I would at least urge all Canadians who celebrate Christmas to have the good sense and the patriotism to treat themselves by supporting a valuable Canadian resource industry by having a real Canadian Christmas tree this year. In case you did not know, the best Christmas trees come from the Christmas tree capital of Canada, the South Shore of Nova Scotia.

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COMMEMORATIVE MARKERS

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, in September I tabled a private member's motion calling on the federal government to honour the contribution made to Canada by our late former Prime Ministers by placing a commemorative marker near their burial sites.

As we grapple with our national unity and identity as Canadians, one obvious problem that I have observed is that many Canadians do not have an appreciation of our history. We often lack an appreciation for the great benefits that living in Canada has brought to us.

It is my hope that by commemorating the efforts of those who have dedicated their lives to building our nation, Canadians may better recognize our generation's obligation to continue to build and preserve a united Canada. By appreciating the accomplishments of the past, it helps us to better prepare ourselves for the future.

I thank the many members from all sides of the House who have indicated to me their personal support for this initiative and I ask the government, whether or not my motion is selected—

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

S. O. 31

[*Translation*]

CROSS-CANADA REFERENDUM

Mr. Guy Ricard (Laval-Ouest): Mr. Speaker, on Monday, I received a telephone call from the member for Longueuil, asking me to sign a petition from his leader in favour of Quebec sovereignty.

This missive, commonly called "Lucien's letter", was intended to prevent consulting all the people of Canada on the federal constitutional proposals.

Faced with my refusal, he insisted, claiming that 15 members from Quebec had already signed this petition, including the members for Laprairie and Châteauguay.

A check revealed that no Conservative member had signed this petition that would prevent Canadians from expressing their opinion on this important issue.

Mr. Speaker, that is intellectual harassment, cheap politicking and undemocratic!

I ask all hon. members of this House to refuse to go along with it, because if we want to respect Canadians and Quebecers, we must let them express themselves freely.

That shows how the Bloc Québécois acts in its attempt to break the harmony that exists in this wonderful country of ours.

* * *

• (1410)

[*English*]

AGRICULTURE

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, it is time this government stopped using GATT as an excuse for inaction at home.

GATT is as far away today as it was yesterday, and the government's attempt to shift the focus to these talks has failed. It is time it got on with the task at hand.

What is clearly needed is a set of policies and programs, many of them promised but not delivered by this government, that will keep our family farms on the land and preserve some stability in the agricultural community while we wait for sanity to return to the international marketplace.

This government cannot have it both ways. It is time to get the job done.

NATIONAL UNITY

Mr. Girve Fretz (Erie): Mr. Speaker, I was encouraged to learn that Jim Taylor, a truck driver from Toronto, has taken the initiative as a private citizen to speak out for a united Canada.

Mr. Taylor ordered 200 bumper stickers that read: "My country includes Quebec", and slapped one on his van. People stopped him to ask how to get one, so within four weeks they were gone.

Out of the response of 300 letters, only one was negative. Encouraged with the response, Jim bought billboard space from Mediacom and now there are 15 billboards in 11 cities across Canada with the message in both English and French.

Jim Taylor is exceedingly optimistic about the future of Canada. He knows that there are problems ahead, but he also reminds us that each one of us has the resources to find inventive ways to promote Canadian unity.

Jim Taylor should know. He has taken his step as an ordinary Canadian, and has proven that positive attitudes can be courageous and contagious.

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UKRAINE

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, the people of Ukraine have long waited for the day they can once again raise their own flag, elect their own leaders and guide their own destiny, fully recognized by the international community.

This December 1, they will be that much closer to this goal. They will vote in a referendum to confirm the act of the Declaration of Independence of Ukraine, passed last August 24. I am heartened Ukraine supports nuclear disarmament and minority rights.

Ukrainians have a right to make this decision, and I am proud to be one of three members of Parliament who will leave for Kiev tomorrow to observe the electoral process.

Ukrainian Canadians, 1 million strong, 100 years in Canada, will be casting a vote in spirit with those in their ancestral home.

I make no secret of my support for the cause of Ukrainian independence in my letters to the Prime Minister and in my previous statements in this House. The will of the people to be united, to join together, is the essence of democratic culture.

I urge Canada to support Ukraine in the outcome of this referendum.

* * *

REFORM PARTY OF CANADA

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, it is hard to believe a new political party in Canada has a dictator at its helm.

It is the "gospel truth according to Preston". *The Calgary Sun* has reported a secret Reform Party memo saying that Preston Manning must control and correct party members' input and policy.

To all those who have joined this party, you have been duped by a political evangelist into believing the Reform Party agenda is grass roots driven.

Manning's theory is simple: "My way or the highway". As one Reformer put it: "This puts a lie to everything the Party espouses".

To members of the Reform Party, you will be welcome back to the Conservative Party, your views will not be screened by this Prime Minister or any other Party authority. Your ideas and your input will not be censored.

* * *

LIBERAL PARTY OF CANADA

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, first the Liberals flip-flopped on the gulf war.

Then, they did a backward reverse on the U.S. Canada free trade deal followed by a belly flop on the GST. As one senior Liberal said: "If we knew what we wanted to do, it would be a lot easier to communicate it to everybody".

Last weekend, Liberals found out that their unclear policies are fine because other than embracing the Tory principles of unbridled trade and competitiveness through poverty, there is nothing they would do if elected.

The Leader of the Opposition thinks that globalization is a fact of life.

Mr. Speaker, unlike the Liberals and Conservatives, New Democrats believe that poverty, unemployment and pollution do not have to be facts of life, that we do not have to sell out to the multinationals.

To the majority of Canadians who agree and who do not have to choose between tweedledum and tweedledee, I say: "Welcome to the NDP".

* * *

[*Translation*]

SYLVIE LAVOIE

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, today I would like to tell you about a young judo expert who lives in my riding. Seventeen-year-old Sylvie Lavoie was chosen by Judo Canada to represent Quebec and Canada at the Pan-American Junior Judo Championships in Medellin, Colombia.

Mr. Speaker, I would like to point out and mention the courage and perseverance of this young Canadian sportswoman, who as we speak is striving for a place of honour and a gold medal. I believe it is important to support our youth who hold an important place in our community and our country. I conclude by saying to them, "Work very hard, spare no effort, be determined and you will become a symbol of national pride." We need young people who are strong, disciplined, eager and above all determined, Mr. Speaker.

* * *

[*English*]

CAPE BRETON ECONOMY

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, last Sunday a parade of concern in Sydney, Nova Scotia, drew thousands of people to the streets.

Cape Bretoners are tired of being blamed for government failures. We are tired of having decisions made in the offices of bureaucrats without consulting the very people these decisions affect.

We have seen phoney companies with phoney job applications arriving like vultures, ready to feed off people's misfortunes. The president of Atlantic Canada Opportunities Agency said in Sydney, and I quote: "It is illiteracy and rotten weather that keeps companies out of Cape Breton".

How dare this man, a senior public servant, insult the very people his agency was created to assist. The president of Atlantic Canada Opportunities Agency has little to be proud of, given ACOA's record of handing out money to losing ventures.

The President of ACOA blames bad weather for Cape Breton's falling economy. The economic cloud that hangs over the island has more to do with all his agency's failures than it does with our region's level of rainfall.

I think it is time that this particular senior public servant resign and, if not resign, the minister responsible for ACOA should fire him and fire him—

* * *

SENATOR CLAUDE CASTONGUAY

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, as a member of the special joint committee on a renewed Canada, I would like to offer my sincere thanks to Senator Claude Castonguay for his role as co-chair during the first few months of the committee's mandate.

Senator Castonguay is a valuable representative of Quebec and is widely respected not only in his home province but throughout Canada. He has been a key member of the constitutional committee and his positive contributions will be greatly missed.

I join with other members of Parliament and of the Senate in wishing him a quick recovery.

[*Translation*]

—and the hope that in spite of his involuntary absence, we will be able to continue to benefit from his sage advice.

* * *

[*English*]

DRIFT-NETTING

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, we welcome the news that Japan has agreed to comply by the end of 1992 with a United Nations moratorium on the use of huge fishing nets known as drift-nets. This is an abhorrent practice which ravages the oceans. These vast nets are known as walls of death because they trap and kill in vast numbers, dolphins, whales, turtles, birds and other marine life.

Drift-netting continues still to be practised by South Korea. We urge the Government of Canada to make special representations to our embassy in Seoul, urging South Korea to comply with the moratorium and behave in an environmentally responsible manner.

* * *

NAGORNO-KARABAKH

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, last evening Soviet television announced that the Parliament of Azerbaijan today decided to abolish the autonomous status of Nagorno-Karabakh and also change the name of the regional centre.

Tass News Agency reported that the Azeri deputies backed this measure unanimously. Nearly 1,000 people have been killed and hundreds of thousands forced from their homes in almost four years of guerrilla fighting. The move to abolish Nagorno-Karabakh is sure to ignite further violence and bloodshed.

I call upon my government and the United Nations to condemn this latest decision by the Parliament of Azerbaijan aggressively.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is for the Minister responsible for Constitutional Affairs.

This morning every newspaper in the country reports that bowing to internal and external pressures the government has decided that it will not bring forward legislation on a national referendum.

• (1420)

Can the minister explain why it is okay to consult Quebecers on their constitutional future, but it is not okay to consult the Canadian population on its?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, in the Speech from the Throne the government very clearly made a commitment, and I quote the Governor General:

You will be asked to approve enabling legislation to provide for greater participation of Canadian men and women in constitutional change.

That is an undertaking which we intend to honour.

The question here has to do with the word "referendum". The hon. member knows that in these circumstances at this time in the province of Quebec, in particular, that is a loaded word. He knows for us to use that loaded word now would be to drive away from Canada people whom we want to draw into Canada. We are interested in keeping the focus of attention upon proposals to renew this Confederation. I hope he would be too.

I certainly do not intend to use words that will drive potential supporters of Canada away from Canada. I ask the hon. member: Is he going to insist on using words which will drive potential supporters of Canada in Quebec away from Canada?

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I want to say to the minister that Liberals are not cowards and we are not afraid of words. The word "referendum" means what it means.

In Quebec there was a referendum and there could be another one next year that will allow Quebecers to say yes or no to Canada.

Why are the minister and his colleagues afraid to allow Canadians to say in a national referendum yes to Canada and also yes to Quebec?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I know where the hon. member is coming from on this issue. I know the history of referendum campaigns and I know the connotation the word has.

I repeat the commitment of this government. We intend to honour the undertaking in the Speech from the Throne to find a way for Quebecers and other Canadians to be involved in the decisions with respect to constitutional change. We intend to do that.

I would think that it would be the height of folly for a national government, at a time when we are trying to focus attention upon particular proposals for constitutional change, at a time when we need to draw to the support of a renewed Canada all of those Quebecers who want a renewed Canada, to use a word that we know is a loaded word and would drive some of those people away today. That would be a serious mistake for Canada.

That may be the strategy of the Liberal Party. That is not the way we intend to conduct this trial because we are seeking to find ways in which we can cause Quebecers and other Canadians to come together behind a renewed federal system.

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I have a supplementary question.

I must say I have a lot of sympathy for the minister because I know where he is coming from, but I have some doubts about some of his colleagues because I know where they are coming from too.

I would like the minister to assure us that all his colleagues including those from Quebec are supporting the minister's initiatives. Can he assure this House that all of his colleagues in Quebec are going to explain to Quebecers the government's proposals and are going to speak for Canada in the province of Quebec?

[*Translation*]

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I can assure the hon. member and the Liberal Party that the members of my government and our supporters here will continue to work towards constructive change in our Canadian federation.

We have put specific proposals on the table and have asked for suggestions for improving those proposals. We do not want to be distracted from this goal through the use of words that may give more weight to the separatist option.

We are here to rebuild Canada. We are not here to help separatists in Quebec or anywhere else.

Some hon. members: Hear, hear!

* * *

[*English*]

AGRICULTURE

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, my question is for the Prime Minister.

My caucus met with farm and political leaders today who described the state of agriculture in Canada with phrases like "decay of a nation" and "watching a culture die".

The hard facts are that bankruptcies in farm and related industries were up 77 per cent in October over September, but in Saskatchewan they are up 250 per cent. Some farmers will not last until Christmas. Yet this government insists on waiting months to distribute all its emergency aid cash to farmers.

In the name of mercy, why not now?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, in the name of accuracy, money is being distributed now. We have about 10 per cent of the total amount of NISA cheques in the mail. We have application forms that are going to be in the mail by the end of this week for the $400 million of special assistance. There is GRIP money that is starting to flow.

Farmers have cash advances available to them. The government, through the supporting of credit to the Soviet Union, to name one, is shipping and moving grain at a record clip.

We do know, and I say this as a farmer, that we very much appreciated the farmers being here this week. I had a chance to meet with them this morning and spent an hour with them at our caucus. We met with them yesterday, with the Deputy Prime Minister. Our Prime Minister met with the premier of Saskatchewan. They have made their case with a lot of class and I think in the process have impressed upon people very much the desperateness of their situation. I think that does them a lot of credit, especially when they are suffering such very low prices.

Having said that, the money that we have put on the table is in the process of being distributed. I think the hon. member should realize that there is going to be something like $2.8 billion net in the farmers' hands from government programs by the end of June next year. That is a lot of money.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, my supplementary question is again for the Prime Minister who indicated yesterday that he would be meeting with the finance minister to talk about possibly some new money for farmers. But if he takes as long to make up his mind as he did the last time, hundreds of farmers could lose their farms.

I ask the Prime Minister: Can he give Canadian farmers assurances that any new announcement will be made quickly before hundreds more farmers go under?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, with respect, the programs that are in place are being put in place as a result of consultations with farm groups and with the provinces. I would suggest that the money that is going out is going out at a pretty good clip based on the process that we have to use.

With some of the money that we put out in the past, in fact the member has been up on his feet in the past couple of years yelling because some of the money did not go until later on toward spring seeding. Some of this money is in the process of going out now. I just told him that application forms are going to be in the mail this week for the new money that is there. If in fact farmers want to send back their applications as quick as they get them, some of that money will be available before Christmas.

• (1430)

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have a very serious question for the Prime Minister of Canada.

Most of us in this House had an opportunity in the last couple of days to meet with farmers from across the prairies. We know the frustration, the despair, the human tragedy that those farmers talked about. We have a crisis now that is worse than any time in this country since the 1930s in terms of bankruptcy, incomes that are well below the poverty level, all kinds of social problems, economic problems, school depopulation, rural depopulation.

In light of that, can the Prime Minister tell the farmers of this country, particularly the prairies, whether or not he is willing now to consider their request for an extra emergency amount of money worth $500 million and have that money sent out soon to the farmers across the prairies.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I had a very good meeting yesterday with the premier of Saskatchewan precisely on this point. I think that the premier acknowledged that the amounts under GRIP and NISA and the special deficiency payment of $800 million was probably unprecedented by the Government of Canada in favour of Canadian farmers.

He pointed out again, as I know, the particularly vulnerable situation in which farmers find themselves because of depressed grain prices, which is why the Minister of Agriculture and the minister of trade are in Geneva at this point in time. We have an historic opportunity to try to break the pattern of the suicidal European versus American trade distorting subsidies which deprive Canadian farmers of their share of the market, and also depress commodity prices here at home.

Even though we have provided, as I think the premier acknowledged, an unprecedented amount in favour of producers, Canadian prices still remain just about at levels of 1962. The farmers' costs have gone up and the prices remain depressed. While we came up with I think some very good programs and a large amount of money, I indicated to the premier that when the Minister of Finance returned I would meet with him and the Minister of Agriculture to see if perhaps some programs could be structured in a way that would be of greater benefit to the farmers.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my supplementary is for the Prime Minister.

Yesterday I met with a gentleman from Gull Lake, Saskatchewan, who told me that the average age of farmers in these rural municipalities is now 61 years old and that 56 per cent of the farmers in that municipality are facing foreclosure. I think what we have here, Mr. Speaker, is a national emergency, a national crisis.

I wonder if the Prime Minister can now do the right and proper thing and signal to the farmers that there is some hope, that he will make sure when he talks to his Minister of Finance very shortly that there will be an emergency extra $500 million for the farmers of prairie Canada. Please do that, Sir.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, no matter how much money the government puts out in this situation, somebody is going to say it is not enough. We know it is not enough. There are people who are having difficulty meeting household expenses off their farm income and that is not a pleasant situation for anybody.

Let me again point out that there is a record amount of money going to be available to all farmers across the country in the grain and oilseeds business by June of next year and it is not all gloom and doom. There are some positive signs that prices are increasing. We just raised initial payments for malt and barley this week.

There are some positive signs in the wheat market. With a record crop and the program that we have in place to assist the Canadian Wheat Board as well as other agencies in the country to sell grain, we are in a good position to move the record crop and as prices increase it is going to mean more cash for farmers. There are some signs out there that there are some positive things happening.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, my question is also for the Prime Minister. Is the Prime Minister's indication yesterday and again today that the government would look for more funds to assist farmers just a ploy to send the coalition farmers home with a glimmer of hope or is he actually serious about recognizing the farmers' needs for more money now?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I happen to be Prime Minister of a government that has increased assistance to western farmers by 650 per cent and has provided more aid to western farmers than any other government in the history of Canada. We have always stood by the Canadian farmer. We will continue to do so.

* * *

[*Translation*]

THE CONSTITUTION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister. I am a Canadian outside Quebec and, like so many Canadians, I want to have a chance to say yes to Quebec. There are thousands of Canadians outside Quebec who want a chance to restore Quebec's confidence in our country. Will the Prime Minister give Canadians outside Quebec who still believe in a renewed country a chance to say yes to Quebec in a national referendum?

Right Hon. Brian Mulroney (Prime Minister): Well, Mr. Speaker, we all had a chance to say yes to Quebec with the Meech Lake Accord.

Some hon. members: Hear, hear!

Mr. Mulroney: And the hon. member for Hamilton East is to be commended for supporting the accord. Unfortunately, others refused to do so, and now we have a situation where we have to rebuild bridges between Quebec and Canada. That is why the government is committed, as the minister has just mentioned, to asking Parliament to pass legislation in May 1991 that will give Canadians a greater say in constitutional reform. We intend to respect that commitment.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, perhaps I am more inclined to trust the democratic process than the Prime Minister is because I am confident that, if we give Canadians outside Quebec a chance, they will vote massively in favour of Quebec in a referendum.

I have a second question for the Minister responsible for Constitutional Affairs.

[*English*]

Unlike the Prime Minister, I am not afraid of democracy, and I believe that the Canadian people should have a right to have their say. I want to give Canadians a chance to say yes to Quebec, and there are thousands and thousands of them who are prepared to do that. What are you afraid of, Prime Minister?

Mr. Speaker: The hon. member for Gatineau—La Lièvre. The hon. member was out of order.

Ms. Copps: What is so hard?

Mr. Speaker: The hon. member for Gatineau—La Lièvre.

An hon. member: Don't get up, Mark. Don't get up.

Mr. Speaker: The hon. member for The Battlefords—Meadow Lake.

Some hon. members: Oh, oh.

* * *

AGRICULTURE

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, a very important coalition of farmers and farm organizations are still in Ottawa outlining a major economic and social problem facing farmers and rural Canadians. They have indicated that they have fulfilled their financial commitments but the federal government, which promised an adequate third line of defence package, has not yet lived up to that end of the commitment. When the federal government forced the provinces to contribute more than they had available to GRIP and NISA programs, does the minister not agree that it is time for the government to meet its responsibilities and deliver an adequate acceptable third line of defence payout equal to $1.3 billion called for by the farmer coalition?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, if the member is talking about adequate responsibilities, this government has provided a record amount of assistance to farmers. I have said that no matter how much it is, it is never going to be enough. Surely there is a responsibility of the provinces in this.

• (1440)

Part of the $640 million that went out last spring was for the so-called second line of defence that we could have held back and used on third line of defence.

Let me give the percentages. In the last fiscal year of the direct support paid by all governments to the producers in Saskatchewan, the federal government paid 83.2 per cent in Saskatchewan.

I hope that member makes the same case to his new premier to live up to his expectations.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I have a supplementary. It is an urgent matter that requires urgent and immediate attention by the federal government at this time. Producers expect their government to be with them in times of trouble.

Since the ministers have found $800 million that they said they did not have before and that has been termed inadequate by the farm representatives here today, is it not time this emergency was addressed adequately in the terms the farmers coalition has brought to the minister's attention so that the farm community can farm with confidence and not with fear.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, this kind of debate does not help farmers. It is a problem that all of us have to do our very best to address. That includes municipalities, provincial governments and the federal government.

The hon. member should know that the province of Alberta just recently kicked in an extra $110 million and he should know that the province he comes from, when the new government formed office, cancelled its harmonization with the GST. I understand that cost it over $200 million.

If it was really serious about supporting farmers, it should have kept harmonization and it would have had an additional $200 million to spend on its farms.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is directed to the Minister of State for Agriculture.

After four years of working with various participants on GATT article XI, the Canadian government claimed it could count on the support of several countries. Nevertheless, the Dunkel report reveals an alignment with the American position, with the consent of European governments, which will put an end to all quota systems in Canada's farm programs.

What does the government intend to do about this threat to our agricultural system?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, just a few minutes ago, I was talking to my colleague, the Minister of Agriculture. Earlier today, the minister and the Minister for International Trade had a meeting with Mr. Dunkel.

There was also a meeting with the Cairns Group and the Quad group, to which Canada belongs, to discuss certain issues in the presence and with the co-operation of Canadian farm leaders now in Geneva.

In fact, Canadian farm leaders still fully support the Canadian position and have not challenged it in any way. Mr. Speaker, we prepared this position—the Canadian position—with our farm producers. We prepared it together, during extensive consultations, before going to GATT. We are still defending this position with all the energy we can muster. We built this position with them, and we will continue to involve them in these negotiations.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, the minister's remarks are surprising, to say the least, when we consider that the constitutional proposals tabled last September suggested that getting rid of marketing boards would remove a barrier to the mobility of goods.

On many occasions, the government was obliged to call negotiators in Geneva to order for statements that more or less said the same thing.

Mr. Minister, how can you expect farmers to have any confidence when they see such flagrant contradictions in our agricultural system? In other words, what is your agricultural position for Canada?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I am somewhat surprised to see the hon. member take the same position the Bloc Quebecois critic took yesterday in the House of Commons. Provincial ministers Picotte and Ciaccia said once again yesterday that they still supported the Canadian position, Mr. Speaker.

As part of that position, we still support maintaining a reinforced and clarified article XI, Mr. Speaker.

This was again stated very clearly to the Director General of GATT today and to all our agricultural partners in Europe, Mr. Speaker.

* * *

[*English*]

THE ECONOMY

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Prime Minister.

Today Statistics Canada figures are grim. Bankruptcies are up 45 per cent. So far this year 63,000 individuals and businesses have been forced into bankruptcy because of this government's economic incompetence.

Last week the Minister of Finance admitted that his claims of economic recovery were grossly exaggerated. So I want to ask the Prime Minister: Is he prepared today to do the same thing? Will he finally admit that there is no recovery, that the recession continues, and that it is his own government's economic policies that are causing such devastation in the Canadian economy?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I do not think the government will agree with that because it is not the case.

It is a fact that the number of bankruptcies is at a disturbing level. We realize that. I would say that private bankruptcy is higher but business bankruptcy is only marginally higher.

However, these numbers stem from high rates of interest and we have been acting precisely on that. Since September interest rates have gone down by 100 basis points and have created a condition where we are hopeful that the recovery will be there. It is still fragile, but if we did not have so much gloom and doom from the Liberals maybe it would be more helpful.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my supplementary question is for the Minister of State for Finance.

A Gallup poll to be released tomorrow says that 90 per cent of Canadians believe that the recession is not over. Eighty-four per cent say that the government's economic policies are inappropriate and unacceptable.

I want to ask the minister: If the recession is over, as he claims, why is it that nine out of ten Canadians do not know about it?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, since the poll is secret I will have to wait until tomorrow to look at it.

I do not disagree that the rate of bankruptcy is very disturbing, but that is one more reason for us to have the right policies. If the hon. member thinks that by doing it the Liberal way—borrow money that we do not have, raise taxes, scoop the capital so that businesses cannot organize themselves and create employment—is the answer, I think he is wrong.

We remember where we were during the Liberal recession with the rate of bankruptcies being double the number it is today.

* * *

AEROSPACE INDUSTRY

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is for the Prime Minister.

Last week when told in this House that the deal between McDonnell Douglas and Taiwan would cost Canada 3,500 aerospace jobs, the Minister for Science said that this was mere "speculation".

At the same time the president of McDonnell Douglas said: "As existing orders run out, McDonnell Douglas will be out of business".

Why does this government not believe the president of McDonnell Douglas who said these jobs would be lost, or is it just waiting for the workers to get their walking papers before it will act?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, we will do everything we can to support McDonnell Douglas, particularly with respect to the MD-12.

In terms of the agreement, there has been no firm agreement signed between McDonnell Douglas and Taiwan. There has been no government to government agreement and the member knows that has to happen before any firm commitment can be made.

Mr. Jim Peterson (Willowdale): Mr. Speaker, that is absolute nonsense because the president of McDonnell Douglas Canada has said those jobs are on the line. This is just one more example of this government's economic incompetence and mismanagement.

Let me give another example. Last week the Minister for Science told this House that the government knew nothing about the McDonnell Douglas—Taiwan deal.

• (1450)

This deal was signed last July. Why did the government not know about it? How can this government manage our economy when it does not even know what is happening in one of our major aerospace manufacturers?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, what was signed previously was a letter of intent to try to reach an agreement. That agreement has not yet been reached and neither the Government of Taiwan nor the Government of the United States has an agreement that it can act upon.

In terms of the MD-12 assembly, we are prepared to stand by McDonnell Douglas and help in any way we can for it to obtain that contract.

* * *

THE ECONOMY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the minister and this government suggest that these bankruptcy figures today are disturbing. In fact they are at record levels. They have never been higher in this country. The minister suggests that in fact there has not been much increase with respect to business bankruptcies. They are up 22 per cent.

If this minister is concerned to see credit get to people across this country being hit by bankruptcy, will he listen to the pleas of his Superintendent of Financial Institutions who today came out and said that the banks in this country were not lending money when they should be? Will he in fact stand up and say there has to be action on the part of the banks and the government to get this economy going again?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I do not agree at all with the numbers just given by the hon. member. Of course the situation is disturbing and that is why we must act to correct it by creating the proper conditions.

Let me give him the number, for example, of business establishments we have had this year. It is close to 2 million businesses as compared to less than 1 million in 1982 with a rate of bankruptcy of 1.28, and the present rate of bankruptcy is of 0.78. This of course is not a satisfactory situation, but one must not dramatize.

We are going through a transition period. The government must do everything it can to create the conditions for the recovery. It is not by borrowing money that we do not have, causing the capital to flow to government coffers and not to the business community which needs it badly. That will solve the problem.

Mr. Steven W. Langdon (Essex—Windsor): But the point, Mr. Speaker, is that the government's own Superintendent of Financial Institutions is saying that the banking system in this country is not delivering that money to the businesses that need it. Despite lower interest rates the government's policy is not working.

I want to ask the minister about a confidential memo from the International Monetary Fund which indicates that it is the IMF that has urged governments to take this policy.

I want to ask the minister if he will admit that the reason that he has not helped people here in Canada suffering from recession is because he has instead listened to the IMF in Washington.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I am delighted to give the assurance to the member that this is not the case. Had we followed the Liberal policy for the 15 years preceding ours, our deficit would be at $100 billion and then we would be taking instruction from the IMF.

But we are not. We made these decisions before. What the IMF says is that some of the measures we have taken it would recommend because they are good, valid measures.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Minister of the Environment. On June 5, I asked the minister when he would produce environmental studies of government policies. He answered that they did not yet have the methods to do so. Yesterday in the House, I asked the same question and unfortunately, I had the same reply. No progress in six months. However, in a study that I have here and which the minister knows well, a very reputable institute, Resources Future International, long ago developed the methods that the minister is supposedly seeking.

Mr. Speaker, is the minister prepared to submit immediately to the Auditor General for approval the methods contained in this report in order to apply them in reviewing the next budget?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, let us be clear on the meaning of what we said yesterday. I told the hon. member for LaSalle—Émard that the government had to create the methodology to do the environmental assessment as policies move through the Cabinet system. That does not mean that there is no method at all, Mr. Speaker; on the contrary, it means that every case is unique. When an issue is presented, the government must adjust accordingly and put in place the processes, mechanisms and evaluations that will enable us to produce an environmental assssessment. That is what I meant in my answer and that is what we will continue to do in the years to come.

[*English*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, we have been waiting eight months for the environmental evaluation of the budget. We have been waiting almost a year for the environmental evaluation of energy policy. We have been waiting the same length of time for the environmental evaluation of agricultural policy.

The fact is that this minister's constant fudging on a very firm commitment to the green plan speaks miles about why there is such public cynicism about the political process.

Therefore, will the minister release his working papers on this issue, if indeed he has some, and will he ask his officials to meet within the week with a designated group of environmental organizations, with members on both sides of this House and with the Auditor General so that jointly we can come up with a method to keep to the promise which this member's colleagues are so desperate to keep?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, there is no fudging whatsoever on this issue.

Evidence of that, if the member absolutely needs an example to illustrate what is going on, is the NAFTA negotiations, the negotiations between Canada, the United States and Mexico, to consider whether we want to enter into a trade agreement with them. The member knows that in that case there is an environmental assessment going on. If he needs a precise example, there is a precise example.

It is for the government within the framework of our own system to work out the methodology. We are doing that now as different dossiers come forth.

If the member absolutely wants to pursue this question, I suggest to him that I would be very happy to go before the Standing Committee on the Environment and offer testimony. Since I have been minister I went before committees four times up until now. I would be happy to go back once a week, if that is what the hon. member wants and if that is what the committee wants.

That is why we have a committee system in the House of Commons.

* * *

FISHERIES

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, in the absence of the ministers of fisheries and employment, my question is directed to the Prime Minister.

The Prime Minister will recall that on October 22 the minister of fisheries said in the House that the federal government had provided more than adequate funding to look after all fishermen and all plant workers who met the criteria of the Fisheries Atlantic Emergency Assistance Program.

Is the Prime Minister aware that today federal officials are telling Atlantic Canada that there is no more funding available to provide for plant workers who meet the program criteria and who should have started work this past Monday?

What is the Prime Minister going to do to ensure that the federal government's commitment to the people of Atlantic Canada is kept at this time?

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the minister of fisheries has been in constant contact with the Atlantic fisheries people and with the Atlantic fisheries minister. He was there last week and met with them. He is well aware of what some of the people are saying, and it is being looked at now.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, when I and other Liberal MPs raised this matter several weeks ago, the minister of fisheries said: "Anyone who can show a reasonable connection to the fishery or to being a plant worker is going to be assisted, or my name is not John Carnell Crosbie".

What is the Prime Minister going to do to restore the name and the credibility in the current circumstances of his no name minister of fisheries?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, let me repeat for the record. My name is not John Carnell Crosbie.

Some hon. members: Oh, oh.

• (1500)

Mr. Mulroney: I had an opportunity just before I left to meet with the Minister of Fisheries and Oceans and we had approved, I think, a $39 million program in favour of that—

An hon. member: Only for Newfoundland.

Mr. Mulroney: My friend from Nova Scotia says "only for Newfoundland." What is wrong with that? This is a program to help Newfoundlanders. Are the Liberals opposed to us helping Newfoundlanders? Here we are trying to help Newfoundlanders with $39 million and the member from Nova Scotia says "only for Newfoundlanders". I say that is not enough for Newfoundlanders. We are trying to do more, and we are also doing a lot for Nova Scotia.

* * *

THE CONSTITUTION

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, my question is for the Minister Responsible for Constitutional Affairs. During the past number of weeks, many members of Parliament have held town hall meetings and round table discussions in their ridings to hear the views of their constituents on the country's future, more specifically, to hear views of their constituents on the government's constitutional proposals. My question is this.

What mechanism can be used or will be considered to allow individual members of Parliament to report their views, the views they receive from their constituents, to the committee and to Parliament?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I want to congratulate members from all sides of the House who are conducting those kinds of discussions in their own constituencies. It is another means to help us consult the public of Canada and also to improve the proposals that are on the table.

I think the hon. members makes an excellent suggestion, that we should seek to find a means—and I will undertake to meet with the members of the special joint committee to do that—by which the summary reports of some of those consultations can be made available to the special joint committee so that they will have the benefit of the advice of interested Canadians as they make recommendations as to how to improve the proposals we have put before Parliament.

TRANS-CANADA HIGHWAY

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister of Transport. There is no development need in the maritime provinces quite so important for long-term success, both for prosperity and service to citizens, than is reconstruction of the Trans-Canada Highway, particularly through the corridor province of New Brunswick.

It is obvious that fulfilment of this goal involving more than $2 billion can never be attained without major participation by the Government of Canada.

Will the minister please advise us about the state of negotiations and planning with respect to the Trans-Canada Highway. Is it the top priority in the national highway policy and will progress on its construction be seen in the foreseeable future?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, it is precisely because we recognize how important these highways are that my department has been consulting with our provincial and territorial colleagues in order to plan a new national highway policy.

The hon. member certainly knows that since 1978, Transport Canada has contributed nearly $207 million toward highways in New Brunswick and there are more under way. New Brunswick has decided to spend most of that money on the northeastern region. We are still consulting with our provincial counterparts to arrive at a national highway policy.

* * *

PETROLEUM INDUSTRY

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. If during the 1980s the foreign controlled companies in Canada's petroleum industry had reinvested their cash flows at the same rate as Canadian-controlled companies, another $8 billion in new investment could have resulted. That could have saved many of the 60,000 jobs, more than 40 per cent of the total, that were lost from Alberta's oil patch since 1985. But they did not. They sent $23 billion out of the country.

Instead of trying to remove the last vestiges of control on foreign investment, will the minister turn his attention to seeking new sources of Canadian investment money for the petroleum industry, thereby ensuring the benefits of that new investment remain in Canada.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I have read with interest the hon. member's press release, plus the figures he received from my department. Regrettably, he does not tell the whole story.

If he looks at the decade that he uses his statistics for, it is true that there was a lot of investment for Canadian companies. It was done through the taxpayer. It was called PIPS. They received benefits through the tax system greater than the amount of money they invested. There were also such companies known as Dome, and the member knows what happened in terms of the Government of Canada. He also knows what happened in terms of the acquisitions on Petro-Canada.

I simply point out to the member, if you take a look at foreign investment today, you can show the Caroline project for Shell or the Hibernia project where the majors are non-Canadian, or we could take a look at even Hibernia with Husky. I could go on. But I say to the hon. member that—

Mr. Speaker: I think we do have to go on. The hon. member for Markham—Whitchurch—Stouffville, a short question.

* * *

CANADA POST

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, my question is for the minister responsible for Canada Post. He knows that strikes cause great harm to seniors, to charities, to small businesses. I recently put forward a private members' bill that would effectively ban all future strikes with Canada Post. I want to ask the minister responsible if he would adopt a similar initiative by this government that would declare all services essential and bar any future strikes?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, there is absolutely no question that Canadians are fed up with the kinds of strikes we have had from irresponsible union leadership who are pursuing political agendas, such as the leadership of CUPW, and I must say the leadership of PSAC has not distinguished itself recently as well.

I am definitely looking at changes that we can make to ensure that Canadians get the service they are paying for and deserve and we are no longer held to ransom by irresponsible union leaders.

* * *

POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I am wondering if the Chair could assist members on this side of the House in indicating to us the Standing Order which was violated between the exchange between the deputy leader of our party and the Prime Minister. Perhaps the Chair could advise as to whether or not it was Standing Order 37, subsection (1), Standing Order 18, or indeed under Beauchesne paragraph 359, subsection (6).

I say to the Chair with great respect that we would like to know the Standing Order which has been breached. We would like also to ask if the Chair would reflect in terms of the intervention which was made by the Chair, if in fact it was under the circumstances and in view of the urgency of the question which was asked somewhat hostile.

Mr. Speaker: I do not think it is proper, first of all, on rising on a point of order to the Chair, and asking the Chair for some clarification which I will try to give, and I do not think it helps to make the suggestion that the intervention on the part of the Chair is hostile. I hope that no hon. member in this place would believe that I would intentionally make an intervention in a hostile way.

I say to the hon. member for Hamilton East that I know she was upset at the intervention. I wonder if hon. members could give me a moment until we see the transcript. I may have been in error. If I am I will be the first to say so. But I would like to see exactly what the transcript shows.

ROUTINE PROCEEDINGS

[*Translation*]

HEALTH AND WELFARE, SOCIAL AFFAIRS, SENIORS AND STATUS OF WOMEN

FIRST REPORT OF STANDING COMMITTEE

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, pursuant to Standing Order 109, I have the honour to table, in both official languages, the first report of the Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women entitled "The Health Care System in Canada and Its Funding: No Easy Solution".

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

• (1510)

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I wish to table pursuant to Section 36(8) of the Standing Orders the government responses to several petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

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PRESENCE IN GALLERY

Mr. Speaker: I apologize to hon. members. I would like to take a moment. I was concentrating a few minutes ago on a point of order and in doing so I neglected to do something which I know hon. members would want me to do and that is draw to the members' attention the presence in the gallery of Dr. Dimitrji Rupel, Minister of Foreign Affairs for Slovenia.

* * *

POINT OF ORDER

BILL C-35

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, since you have now taken the Chair, as you are fully aware on Friday of last week I had raised a procedural argument with regard to bill C-35. Of course there were several hours remaining on Friday. We had the weekend. We have had Monday, Tuesday and it is now 3.10 on Wednesday afternoon.

I am wondering if the Chair would now be in a position to give information to members of Parliament as to when that procedural argument will be taken back into the Chamber and a decision made so we may proceed with the business of the House.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I understand the opposition House leader's interest and also his impatience, if I may say so, but I can only repeat what I said yesterday, as I have received no further indications since that time. Once again, the Chair will certainly consider the hon. member's interest in this matter and will provide the requisite clarification with respect to the questions raised by the opposition House leader as soon as possible.

[*English*]

Mr. Dingwall: Mr. Speaker, I thank the Chair for the intervention. I do not think it would be too onerous on the Chair if perhaps some indication could be given as to when the ruling may be forthcoming.

We are presently debating subject matter before the House which has a direct reference to the items contained in Bill C-35 and in particular, Part III. I realize that the Table, the Chair and members are preoccupied with bigger and more important issues.

I would like to have some idea from the Chair and/or Table as to when we might expect a decision on that procedural argument on Bill C-35. Perhaps the Chair could indicate that it will be done in the quickness of time before the end of this week. Will it be done before the end of next week? Will it be done before the House recesses for Christmas?

I do not wish to ask the Chair to give me a specific time. Surely the Chair, understanding the frustrations that members have to contend with, could give us some approximation as to when the decision will be forthcoming with the arguments one way or the other on my procedural case on Bill C-35.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I can assure the hon. member that the Chair will not remain unmoved by the persistence of the House Leader for the Official Opposition.

[*English*]

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I simply wanted to echo some of the requests made by my hon. colleague, the House leader for the Official Opposition.

I simply wanted to say that last Friday when this procedural irregularity occurred there was an incredible amount of goodwill on all sides of the House to find a solution that would allow us to proceed with the remainder of the day in anticipation of a relatively early response.

I appreciate your comments, Mr. Speaker, that you are awaiting further information, but I think it is important, particularly in light of the fact that it resulted from co-operation in the House, that after a number of days such a straightforward procedural decision ought to be forthcoming.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I have nothing further to add except that the Chair has taken note of the questions raised by the opposition and NDP House leaders.

* * *

[*English*]

COMMITTEES OF THE HOUSE

JUSTICE AND SOLICITOR GENERAL—FIFTH REPORT OF STANDING COMMITTEE

Mr. Bob Horner (Mississauga West): Mr. Speaker, I have the honour to present, in both official languages, the fifth report of the Standing Committee on Justice and Solicitor General.

In accordance with its order of reference of Thursday, October 9, 1991, your committee has begun considering the subject matter of Bill C-283, an act to amend the Criminal Records Act and the Criminal Code in consequence thereof and agreed to adopt the following report with the following recommendations.

The committee recommends that the Solicitor General of Canada table in Parliament by March 1, 1992 comprehensive legislation reforming the Criminal Records Act.

FINANCE—FOURTH, FIFTH AND SIXTH REPORTS OF STANDING COMMITTEE

Mr. Murray W. Dorin (Edmonton Northwest): Mr. Speaker, I have the honour today to present, in both official languages, the fourth report of the Standing Committee on Finance.

In accordance with its order of reference on Wednesday, October 2, 1991, your committee has considered Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, and agreed to report it with amendments.

I also have the honour to present, in both official languages, the fifth report of the Standing Committee on Finance.

In accordance with its order of reference of Wednesday, October 2, 1991, your committee has considered Bill C-32, an act to amend the Canada Assistance Plan, and has agreed to report it without amendment.

I also have the honour to present, in both official languages, the sixth report of the Standing Committee on Finance on the proposed spending control act.

I would like to say that report was worked on by all members of the House in a very co-operative manner and I would like to have the House acknowledge that. All members shared in it. It is a report that we were able to agree on and hopefully the government will find it helpful in coming forward with the official bill.

[*Editor's Note: See today's Votes and Proceedings.*]

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PETITIONS

UKRAINE

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present to Parliament a signed petition from my constituency of Winnipeg North and in fact beyond, up to Quebec. It contains some 55 signatures at least.

The petition refers to the declaration of Ukrainian independence on August 24, 1991 and that one million Canadians of Ukrainian descent have sustained their ideals of freedom and support for this cause in their ancestral home.

Since Ukraine is a founding member of the United Nations they pray that Parliament urges as the Government of Canada to give genuine support to the people of the Ukraine by officially recognizing Ukraine's independence and establishing full diplomatic relations with the government and people of the Ukraine immediately following a positive confirmation vote in Ukraine's referendum on December 1, 1991.

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is a pleasure for me to present a petition, pursuant to Standing Order 36, on behalf of residents of Darfield, Heffley Creek, McClure, Barrière and Lewis Creek, British Columbia.

They point out their very serious concern regarding the intention of a particular company to dam the North Thompson River at Vavenby, British Columbia, in an effort to divert water to sell in California.

• (1520)

They point out that this is one of the many United States proposals to divert Canadian rivers into the United States and northern Mexico. They ask that the Canadian government simply indicate clearly to the United States that Canada's rivers are not for sale.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): I have another petition, Mr. Speaker, primarily from the residents of Kamloops.

The petitioners point out that the RCMP is being severely restricted in terms of its budgeting from all levels of government. They are concerned about the increasing perception that the RCMP is unable to fulfil its mandate as we would expect.

They are asking, particularly in this case, that the federal government restore adequate funding to the RCMP to enable it to fulfil its mandate and role as the only visible police force for many communities across British Columbia.

QUESTIONS ON THE ORDER PAPER

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

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

INSURANCE COMPANIES ACT

MEASURE TO ENACT

The House resumed from Tuesday, November 26, consideration of Bill C–28, an act respecting insurance companies and fraternal benefit societies, as reported with amendments by the Standing Committee on Finance.

The Acting Speaker (Mr. DeBlois): According to the Speaker's ruling made yesterday we will debate Motion No. A.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved:

Motion No. A

That Bill C–28 be amended in Clause 2 by striking out line 2 on page 2 and substituting the following:

"business under section 362, as applied by subsection 656(1), or subsection 656(3);"

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this is a very technical amendment to clause 2 of the bill because of changes made in the committee. It just happens to be one of those things that was missed at the finance committee when we were straightening this bill up when we had the bill before us. It is a technical matter and ought to be moved ahead without debate.

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

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on Motion No. A. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion No. A agreed to.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Motions Nos. B and 3B, standing in the name of the minister, have been grouped for debate.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved:

Motion No. B.

That Bill C-28 be amended in Clause 2 by striking out line 36 on page 6 and substituting the following:

B"236, and that is not converted into a company with common shares under this Act".

Motion No. 3B.

That Bill C-28 be amended in Clause 237 by striking out lines 20 and 21 on page 130 and substituting the following:

"(*d*) generally, respecting the conversion of a mutual company into a company with common shares."

[*English*]

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, as a result of consultations in the other place with the Canadian Bar Association, technical wording was changed with reference to what is set out in Motion No. B. This is a technical amendment that more properly describes a demutualization process.

The Acting Speaker (Mr. DeBlois): Is the House ready for the Question?

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on Motion No. B. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion No. B agreed to.

The Acting Speaker (Mr. DeBlois): The next question is on Motion No. 3B. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion No. 3B agreed to.

[*Translation*]

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved:

Motion No. C.

That Bill C-28 be amended in Clause 13 by striking out line 34 on page 18 and substituting the following:

"254 to 259 and Parts X, XII and XV to XVII".

The Acting Speaker (Mr. DeBlois): Resuming debate, the hon. member for Mississauga South.

[*English*]

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this is a very technical amendment. It adds the words "Part X" to a description of societies in the definition section, section 13.(2). It should be approved without debate.

[*Translation*]

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

Some hon. members: Question!

The Acting Speaker (Mr. DeBlois): The question is on Motion No. C, standing in the name of Mr. Loiselle. Is it the pleasure of the House to adopt this motion?

Some hon. members: Agreed.

Motion No. C agreed to.

The Acting Speaker (Mr. DeBlois): Motion Nos. 1, 6 and 7, standing in the name of the hon. member for Nickel Belt, have been grouped for debate.

Mr. John R. Rodriguez (Nickel Belt) moved:

Motion No. 1.

That Bill C-28 be amended in Clause 23 by striking out lines 29 to 33 at page 21.

Motion No. 6.

That Bill C-28 be amended in Clause 407 by adding immediately after line 18 at page 215 the following:

"(2) The Minister may approve only the following acquisitions:

(*a*) the acquisition by a person, or entity controlled by a person, of up to 100 per cent of the shares of a company or an entity that holds any share of a company where the company or entity to be acquired holds assets whose total value is less than ten billion dollars;

(*b*) the acquisition by a person, or entity controlled by a person, of up to 75 per cent of the shares of a company or an entity that holds any share of a company where the company or entity to be acquired holds assets whose total value is not less than ten billion dollars and not more than twenty billion dollars;

(*c*) the acquisition by a person, or entity controlled by a person, of up to 50 per cent of the shares of a company or an entity that holds any share of a company where the company or entity to be acquired holds assets whose total value is not less than twenty billion dollars and not more than thirty billion dollars;

(*d*) the acquisition by a person, or entity controlled by a person, of up to 25 per cent of the shares of a company or an entity that holds any share of a company where the company or entity to be acquired holds assets whose total value is not less than thirty billion dollars and not more than forty billion dollars; or

(*e*) the acquisition by a person, or entity controlled by a person, of up to 10 per cent of the shares of a company or an entity that holds any share of a company where the company or entity to be acquired holds assets whose total value exceeds forty billion dollars."

Motion No. 7.

That Bill C-28 be amended in Clause 411

(*a*) by striking out lines 30 to 34 on page 219 and substituting the following therefor:

"411. (1) Every company acquired in accordance with subsection 407(2) shall, from and after the day determined pursuant to this section in respect of that company, have and continue to have, voting shares that carry

(*a*) in the case of a company referred to in paragraph 407(2)(*b*), 25 per cent,

(*b*) in the case of a company referred to in paragraph 407(2)(*c*), 50 per cent,

(*c*) in the case of a company referred to in paragraph 407(2)(*d*), 75 per cent,

(*d*) in the case of a company referred to in paragraph 407(2)(*e*), 90 per cent,

of the voting rights attached";

(*b*) by striking out lines 1 to 29 on page 220 and substituting the following therefor:

"(2) For a company described in subsection (1) that is or is not a former-Act company, the day referred to in that subsection is the day that is five years after the day this Part comes into force."

[*English*]

He said: Mr. Speaker, this amendment is once again maintaining consistency with the opinions expressed by this party in this corner of the Chamber with respect to the Bank Act and the Trust and Loans Act. I am dealing with the first motion, Motion No. 1.

This motion would allow the Crown to establish a Crown corporation for the purposes of insurance. The same arguments that we have made previously are the arguments that we want to reinforce again.

Why would the federal government close out its options and the options of provincial governments to establish an insurance company if in its own wisdom it sees fit to do so?

I have expressed the view previously in discussing this matter on the other bills that it portrays a medieval view of government, that in fact before it even has a chance to exercise an option it forbids itself from exercising the option or even considering the option. The arguments that have been used were that somehow or other we cannot allow provincial governments to establish a Crown corporation which might come under federal jurisdiction.

They do it all the time in other sectors of the economy. Provincial governments establish Crown corporations for transportation and they have to be governed by a National Transportation Act. There are other examples.

Yet here in the financial sector it seems that this government, given its mentality and its corporate agenda, wants to prevent the people of the country if in the wisdom of the government it sees that it should establish an insurance company, from doing so.

We find that unacceptable. That is why we have opposed it in the Bank Act. We opposed it in the Trust and Loans Act, Bill C-4 and Bill C-19, and we are opposing it here on Bill C-28, the Insurance Companies Act.

Our other motions deal with the ownership. Again it is a consistent argument that we have made on Bill C-4 and Bill C-19. Given the new changes that are encompassed in these bills and given the new climate that will be present when these bills finally become law, insurance companies are going to be able to do practically all the things that banks do by virtue of the fact that they can closely hold trust and loan companies.

• (1530)

It seems to me you have all of the potential there for a meltdown. We have said the best guarantee for the shareholders, for the policyholders and for the people of Canada is to be widely held.

We quoted yesterday in debate a commentary in *The Economist* that calls on the Government of Canada to recognize the need to maintain the wide ownership rules.

When this legislation goes into effect, there will be no small insurance companies. There will be no small financial institutions. There will not be that little insurance company that you knew in your little town on a street. These are going to be huge conglomerates. These are going to be large.

In fact these bills will force them to grow large like a cancer. There is no advantage for them to stay small. There is every encouragement, every reason for them to become bigger, bigger and bigger.

This is madness. We have said this. We said yesterday in debate that bigness is not necessarily better. Bigness is not necessarily better. We have adopted the sliding scale of ownership because we felt that the study in 1985 of the green paper was appropriate.

We believe that is the most effective way to prevent the concentration of ownership. We believe that one of the big problems with the failures that we have seen in financial institutions, particularly the trust sector, has been because of the close ownership. It is because of the mixing of financial owned by non-financial.

All the commentary that we have been reading recently says we have to make sure we separate the commercial from the financial. Why does a mining company own a trust company? It seems to me that is a recipe for disaster as was the case with Standard Trust.

Can you imagine a Campeau bank, a Campeau trust company or a Lavelin trust company? Can you imagine an Algoma bank or an Algoma loan and trust company? That is the danger. We have to keep those two operations separate. We cannot mix the commercial and the financial.

That was the rationale behind the green paper that the finance committee tabled. The whole question of close ownership is one of the greatest threats to the health of the financial institutions of this country.

We have built in Canada a banking system second to none in the world. I am prepared to say that. We are second to none in the world.

We are dealing with the Bank Act, and we have to look at the situation as it is presented to us. The banks of this country are the most secure in the world. They were built through a system of regulation, a pillar system. It is a system of wide ownership.

It seems to me that we are now saying the system that built the banking structures in this country are not good enough now for building some new huge structures. So we throw out all of the things that we have proved to be successful. We are saying now it is open season. You can have mutual companies, and this bill envisages mutual companies being demutualized. You are not going to have a nice little insurance company where all the policy holders hold it, where we are all holding hands and we are feeling each other and it feels good and you have hot milk or something and you are feeling good. All that is gone. They will demutualize, and then once they demutualize they will have to sort of merge, they will have to find partners. You will have this growth and only the mighty will survive. It is back to the jungle in this legislation. It is survival of the fittest.

I do not think that serves the best interests of Canadians.

We have argued in these Motions No. 6 and 7 for wide ownership. We believe that is the way to go. It is the best guarantee. In the long run when these institutions fail, it is the taxpayers who pick up the pieces through the CDIC. It is the taxpayers who bail out the depositors.

I say to the House, this is the last chance, you have a last chance. This can be a deathbed repentance. Accept now, brothers and sisters on the other side, accept now and you shall be saved. Accept this amendment now. Repent now before the hour is too late. I see you are standing so my hour has come.

The Acting Speaker (Mr. DeBlois): Debate, the hon. member for Malpeque.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I rise today to speak on Motion No. 1 on the Insurance Act, Bill C-28.

This is a similar amendment to the one we discussed in the last couple of days concerning the Bank Act and the Insurance Act.

At that time I indicated in the House that we in the Liberal Party were opposed to the motion. Last night we voted against similar motions pertaining to the banks and the trust companies.

We have been studying this legislation for over a year in the financial institutions. We have heard over 100 witnesses, but never did we have a provincial government come to the committee and request this power. Never did we have an individual or a consumer group come forward and ask that a provincial government be able to incorporate an insurance company under the federal law.

As I stated before, if a provincial government wants to enter the financial services sector, certainly there is nothing to stop it from setting up a provincial trust company, as has been done in Ontario and Alberta.

I also have a concern that if a provincial government could own a federal financial institution, how that might affect federal–provincial relations.

To be consistent, as we are on this side of the House, we will vote against this motion for the same reasons I put forth in the last couple of days to similar amendments that were made to the trust and the Bank Act.

At this time, I have nothing further to add to debate on this amendment.

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

Some hon. members: Question.

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

• (1540)

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

Some hon. members: Yea.

The Acting Speaker (Mr. DeBlois): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): In my opinion the nays have it.

And more than five members having risen:

[*Translation*]

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 76(8), the recorded vote on the motion is deferred.

The next question is on Motion No. 6, and the result of this vote will be applied to Motion No. 7.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): All those in favour will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. DeBlois): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): Pursuant to the provisions of Standing Order 76(8), the division on the motion is deferred.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved:

Motion No. 1A.

That Bill C–28 be amended in Clause 142 by striking out lines 27 to 32 on page 78 and substituting the following:

"(*c*) who is a shareholder for any other purpose except the right to receive notice of, or to vote at, a meeting, or

(*d*) who is a policyholder for any other purpose except

(i) the right to receive notice of, or to vote at, a meeting,

(ii) the right to receive payment of a policy dividend or bonus, and

(iii) any purpose where the determination of policyholders is governed by contract,".

Motion No. 2A.

That Bill C–28 be amended in Clause 153:

(a) by striking out line 23 on page 88 and substituting the following:

"ticipating policies issued by a company on which no premiums are due is";

(b) by striking out line 30 on page 88 and substituting the following:

"coming into force of this Part on which no premiums are due is entitled to".

Motion No. 2B.

That Bill C–28 be amended in Clause 153 by striking out line 24 on page 88 and substituting the following:

"entitled to attend, and is also entitled to one vote at, a meeting of policy-".

Motion No. 2C.

That Bill C-28 be amended in Clause 154 of Bill C-28 be amended

(a) by striking out line 41 on page 88 and substituting the following:

"issued by a company on which no premiums are due entitle the holder there-";

(b) by striking out line 8 on page 89 and substituting the following:

"Part on which no premiums are due is entitled to more than one vote, or to a";

(c) by striking out lines 18 to 20 on page 89 and substituting the following:

"ing policies issued by a company on which no premiums are due and one or more policies, other than participating policies, referred to in subsection (1) on which no premiums are due".

Motion No. 2D.

That Bill C-28 be amended in Clause 154 by striking out line 1 on page 89 and substituting the following:

"cies, issued by the company is entitled to attend, and is also entitled to one".

Motion No. 2E.

That Bill C-28 be amended in Clause 154 by striking out lines 30 to 33 on page 89 and substituting the following:

"ly from participating policyholders; (*b*) is not otherwise entitled to more than one vote at a meeting of policyholders; and (*c*) is not otherwise entitled to more than one vote at a meeting of shareholders and policyholders, unless the holder is also a shareholder, in which case the holder is entitled to one vote as a policyholder and is also entitled to vote his or her shares."

Motion No. 2F.

That Bill C-28 be amended in Clause 164 by adding, immediately after line 45 on page 93, the following:

"(3) For greater certainty but subject to subsection (2), subsection (1) applies in respect of a policy issued before the coming into force of this section and requires a company, within three years after the coming into force of this section and at least once every three years thereafter, to do the things referred to in that subsection in relation to such a policy."

[*English*]

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, these are highly technical amendments that were considered by the Canadian Bar Association in the pre-clearing hearings by the Senate. The government has accepted them as amendments that will clarify descriptions in the statute.

To a large extent they deal with the voting arrangements for participating policy holders. For example, a participating policy holder is entitled to attend a meeting and is entitled to a vote. One vote per policy holder is the arrangement and that type of thing is carried on through all of these amendments.

I think the amendments should pass without debate.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have no problem with these amendments. As the hon. member for Mississauga South has said it just clears up language.

I want to flag a concern I expressed in committee and I even tried a motion and it was defeated. That was the question of notification of participating policy holders. I was not satisfied with putting the onus on the policy holders to inform the company officials that they wanted to receive notice of annual meetings. It seemed to me that the onus should be on the company to inform the policy holders of the annual meetings.

I want to express my reservations about the way in which these amendments have been proceeded with. I do not have anything against the technicalities they are trying to establish but I want to express the concern.

I hope by the end of the afternoon, by the time we wrap up Bill C-28, we will have resolved that concern I have about notification of participating policyholders.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, we have reviewed the amendments. I agree with the hon. member for Mississauga that they are technical amendments and we will be voting for them.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion No. 1A agreed to.

The Acting Speaker (Mr. DeBlois): The next question is on Motion No. 2E. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion No. 2E agreed to.

The Acting Speaker (Mr. DeBlois): The next question is on Motion No. 2F. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion No. 2F agreed to.

The Acting Speaker (Mr. DeBlois)): The next question is on Motion No. 2A. A vote on Motion No. 2A will apply to Motion No. 2C.

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

Some hon. members: Agreed.

Motion No. 2A agreed to.

The Acting Speaker (Mr. DeBlois): The next question is on Motion No. 2B. A vote on Motion No. 2B will apply to Motion No. 2D.

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

Some hon. members: Agreed.

Motion No. 2B agreed to.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved:

Motion No. 2G

That Bill C-28 be amended in Clause 168 by striking out line 4 on page 97 and substituting the following:

"the members of which are primarily".

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this is another technical amendment that disqualifies certain persons. It deals with mutual companies. It is a highly technical amendment. It replaces the word "exclusively" with "primarily". As we were talking about simple or plain language the other day, my friend from Malpeque will appreciate the problems we have with this kind of legislation.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion No. 2G agreed to.

Mr. John R. Rodriguez (Nickel Belt) moved:

Motion No. 3.

That Bill C-28 be amended in Clause 208 by adding immediately after line 40 at page 116 the following:

"(3) The directors of a company shall place before the shareholders for approval, at every annual meeting, a list containing the names of the five directors, officers or employees of the company who are to receive the highest salaries to be paid by the company in the next financial year of the company, together with the amount of such salaries.

(4) Notwithstanding any Act of Parliament, the salaries referred to in subsection (3) may be paid only to the extent that they have been approved by special resolution.

(5) Forthwith after each anual meeting of shareholders, the company shall send to the Superintendent, a list containing the names of the five directors, officers or employees of the company who are to receive the highest salaries to be paid by the company in the ensuing financial year of the company together with the amount of such salaries.

(6) For the purposes of this section, "salary" means any form of remuneration payable by a company for work performed by a director, officer or employee of the company and includes

(*a*) commissions, vacation pay and bonuses;

(*b*) reasonable value for rent and housing;

(*c*) payments in kind; and

(*d*) any other advantage received directly or indirectly from the company;

but does not include

(*e*) any amount paid as a consequence of the termination of the employment of any director, officer or employee."

He said: Mr. Speaker, the member for Mississauga South, in his whole approach to bank service charges, wants disclosure. He believes that these things should be out on the table so choices can be made. We argued consistently that the wages of the highest paid officials of financial institutions ought to be approved by the shareholders of the institution.

• (1550)

The people are the shareholders of Canada and the government, cabinet and members of Parliament are the officials of this country. Everyone knows the salaries of members of Parliament, cabinet ministers, the Prime Minister, the chief executive officer. Public servants know. There is a process for voting on those raises, on those salaries.

Yet the shareholders of a financial institution, which is a microcosm of the macrocosm, cannot vote on the salaries of the big boys. The shareholders are allowed to vote on the salaries of the directors of the corporation but not on those of the guys on the inside, the ones with the private restaurants attached to their offices, the ones who really make the decisions. We do not know what their stock options are, we do not know what their bonuses are, we do not know what their salaries are, we do not know what their golden parachutes, or their platinum parachutes as the case may be, are.

The important point is that the shareholders do not get to set those salaries. They do not get to approve them. In the end, those salaries come out of the dividends that would be going to those shareholders. It is their money. They are the ones who have taken the risk. They put their money into the corporation and have a right to decide what the salaries of the top dogs in the operation should be.

However, this government has said that it would remain secret. If an institution sets up a branch in the United States and its stock is traded there the information has to be revealed. As a result, we have a situation in which in this country we do not require that information to be available to shareholders but in our major trading partner it is required.

Canadians who want this information have to go down to the United States and seek access to its process to get that information.

It seems to me that this is very important, particularly in the case of financial institutions. It is extremely important in light of what these bills are going to be doing, and I am referring to Bill C-4, Bill C-19, Bill C-28.

We are going to see one of the greatest feeding frenzies ever seen in the next couple of years. It is going to be like dropping a piece of meat into a tank of piranhas. It will be a feeding frenzy where they will eat up each other.

In such a situation it is very important that the shareholders know what kinds of compensation the chief operating officers of that financial institution are getting. It is very important. I do not have to tell you about the situation at Standard Trust, even now. It is something I have to put on the record. I have been after the appropriate committee of this House, the Standing Committee on Finance, to continue the post-mortem on Standard Trust. I have sent letter after letter to the chairman of the committee asking that we continue the examination of Standard Trust.

Nothing has happened. We had one meeting. Michael Mackenzie appeared before the committee and we just touched the tip of the iceberg to try to determine what happened.

I am not a suspicious person by nature but I wondered: "Why is it that we did not do the post-mortem on Standard Trust?" Why do you think we did not do it?

An hon. member: Why?

Mr. Rodriguez: I will explain why. It is because at the same time that Standard Trust was sinking below the seas we were unlatching the cages of the financial institutions.

Now you start to see a pattern. We might have discovered some things about the way in which our regulatory system for financial institutions works that might call into question what we are doing in these bills.

Then the public may have twigged to that and said: "If you could not control a small little trust company like Standard Trust, how are you going to control a Hulk Hogan? How are you going to do it?"

Now we have the scenario. The Ontario Securities Commission started an investigation into Standard Trust. I want to ask you: "Is it going anywhere?" Oh, no, it is not going anywhere because Mr. Michael Mackenzie says: "I cannot tell you certain things. I cannot produce certain documents. My lips are sealed. My hands are tied". What is happening? The OSC is going to court to see if it can force the information out of the regulator.

I always thought that the legislators ought to be able to examine these things when they fail. We ought to be able to examine and sift the bones and entrails to see if we can build a better beast.

That seems logical, but we cannot do that. However some things have leaked out that have direct connection to the revelation of these salaries and emoluments for directors and head honchos.

For example, we found out that these Standard Trust bigwigs were paying themselves $1 million in pension payments. Who paid for that? Not the shareholders but the taxpayers through the CDIC. When it went down the tubes $250 million came right out of the pockets of every person watching now to pay the depositors.

Whose money is it? It is the people's money. That is the kind of important information that has to be made public because it will inform certain decisions by the shareholders. It will set certain bells ringing.

The member for Mississauga South said: "Oh well, Mr. Mackenzie gets that information". Mr. Mackenzie got that information from Standard Trust, I assume—

The Acting Speaker (Mr. DeBlois): Order, please. Your time is over.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, this is a similar motion to what we debated in the last couple of days concerning the Trust and the Bank Act.

This is an issue which was never studied in the finance committee over the year that we have been looking at financial institutions. I am aware that there are good arguments on both sides. People arguing in favour of it say that it is important that shareholders have this information so that they are able to assess the salaries that chief executive officers are receiving from financial institutions.

They will also be able to assess CEO's salaries compared to the job they are doing to see whether they really deserve these high salaries. There are also arguments to be made against this, certainly the concern about privacy, personal risk and the increased competition that it causes, as has been experienced in the United States where this legislation is in effect. One thing it has done is drive up the salaries of chief executive officers.

• (1600)

I agree with the principle of disclosure. There is no question about that. I think there are a lot of good arguments for this amendment, but I do not agree with singling out financial institutions and disclosing the top five salaries of the chief executive officers in financial institutions and not other major corporations. If we are going to do this, if we are going to consider it, then my suggestion would be that we study it first, that we find out the pros and cons. Then we look at it, and if we are going to do it then let us be fair about it. Let us do it not only to financial institutions, but also to other corporations.

Again, I agree with the principle of disclosure, but I do not agree with singling out financial institutions. Therefore, we will be voting against this amendment.

Mr. Mike Breaugh (Oshawa): Mr. Speaker, I want to just briefly take note of this amendment because I think it is an eminently supportable motion. I have read a number of articles and have seen a very good television piece on, I think it was *60 Minutes*, which looked at this kind of a problem, which seems to have kind of escaped everyone's notice. Perhaps it would be logical and sensible to begin now in this bill to address this particular problem. It does seem that there are some people who are placed in the corporate structure in such a way that they kind of escape the scrutiny of everyone.

I suppose many of us in our caucus would not show a great deal of sympathy if in the private sector, in a bank or a lending institution for example, someone was overpaid. That is not the problem though. The problem really is when taxpayers, directly or indirectly, are expected to subsidize that kind of overpayment. That clearly is wrong.

The problem at the moment seems to be access to the information, that in many cases not even those who you would normally consider to have access to this. Shareholders in a company, for example, often do not have access to that information.

In a time of great restraint, such as supposedly the period we are now in in Canada, we have said to many people who are employed by the federal government that there is absolutely no money available for an increase in salaries this year. We have said that to members of the Senate and members of the House and to a great many other people who work for the Government of Canada. It is a concept that is spreading rather rapidly, that there is not any money available for salary increases.

I do not quite agree with that concept but I do certainly acknowledge that it is around.

There should be access to information which at least allows us to compare what is happening in the private sector. At any point in time when we the public are expected to subsidize, in whatever direct or indirect way that we might be asked to do that, then certainly we have an obligation to get that information out on the public record.

The amendment that is before us at the moment seems to me to be a very straightforward amendment. It basically says that people who are shareholders in a company will have access, not to everybody or to everything, but certainly to the top five people who would be in their corporation. You could argue of course that maybe that is an invasion of their privacy. Sure it is, but so is the publication of my salary, and there are almost 300 people in this Chamber who have the same thing happen to them. It is an invasion of our privacy, to be sure.

An hon. member: Would you publish your staff's salaries?

Mr. Breaugh: Yes, I would be quite happy to do that. I do not see a problem with that. I do not understand what would be wrong with saying that. Since we know the salary ranges for every civil servant in Canada, since that is known public information—

An hon. member: How about the bonuses?

Mr. Breaugh: —how then could that be such a gross invasion of privacy? I think the problem we are trying to get at here is that we have certain people who are excluded from having any information put forward about what the salaries are. There may have been at one time a good argument for saying: "There is no need to know", but I believe the argument has shifted somewhat. Now there is a need to know. Now there is a need to have access to that information if we are expected to, for example in this case, look at banks and lending institutions and say: "Well now we need to rewrite that legislation". Do we and do we ever need to subsidize them? Do we ever need to invest public tax money directly or indirectly into what they do?

I hear a constant flow of arguments on different occasions now that says basically that the private sector is the private sector and should be left alone unless it needs public money. When it needs public money then, of course, it is everybody's obligation to jump right in here. All of those people are fierce proponents of the marketplace until such time as it is inconvenient for their purposes to make that argument. They then say: "But we need some government intervention. We need some government help. We need some government money. We need some funding into the private sector". I am prepared to consider that, but when we do that we should do that as conscientious investors. That is to say, we know what is going on there.

All this amendment does is provide us with an access point to some information about the financial arrangements that are made to compensate the top five people in a corporation. I think that is reasonable. I understand the argument that it is an invasion of privacy, but so is the publication of my salary. If I can live with it they can live with it.

I suspect that most of these people are making two, three and four times what I am making so maybe it is a somewhat larger invasion of their privacy. I suspect that if that is a known condition of employment, if the salary is $400,000 a year and you know that it is going to be made public, I will bet you would still take the job. I will bet that the fact that it is an invasion of your privacy could be somehow set aside for a moment on the way to the bank or the trust company to cash your pay cheque.

I think this is a sacrifice, but a small one and a necessary one if we are to continue with the current process that is widespread in Canada of the private sector turning to government, directly or indirectly at some point in time, and asking for assistance. While we should do that in many instances, we would be stupid shareholders if we did not know the information that is pertinent to the situation.

This simple amendment simply says that the top five people in that chain of command should put their salary requests before all of the shareholders.

I tried to turn this around and see what the argument would be on the other side and it is a short argument indeed. I want to hear some member stand up in this Chamber today and tell me why you cannot disclose the salaries of the top five people in a corporation to the shareholders in that corporation. If it is only an invasion of their privacy then perhaps we should put on the record another little subamendment that says: "Well, if you want the money you have to publish what your salary is, and if you do not want to publish what your salary is don't take the money".

Mr. John Manley (Ottawa South): Mr. Speaker, I had not actually intended to get involved in this issue, but after listening to the member for Oshawa and the member for Nickel Belt there are a few things that I think those who are watching this debate may find themselves a little bit confused about. I engage in it only for those reasons.

One thing that I picked up from the member for Nickel Belt was that somehow the Standard Trust inquiry by the finance committee was somehow suppressed in a

conspiratorial way while this legislation was being pushed through. He made many inflammatory I would say statements in the course of his comments that suggested the existence of this conspiracy first of all, and also suggested that for some reason the level of executive compensation in Standard Trust was the cause of that company's failure. What I would like to say to him and through you, Mr. Speaker, to the House is that I am not satisfied that we are finiihed with the inquiry into Standard Trust. The committee has been involved with quite a few other things, including looking at the failure of the Bank of Credit and Commerce.

• (1610)

The evidence that we had when we looked at Standard Trust—and the member for Nickel Belt was there and had an opportunity to ask many questions—did indicate some problems with how Standard Trust was conducting its affairs even in relation to the rules that exist. It certainly did not point to the company failing because of executive compensation, nor did it indicate that had executive compensation been disclosed, somehow that would have saved the company.

The second thing that I found very confusing about his statements in particular were that he seemed to be suggesting that his amendment would allow shareholders to decide the level of executive compensation. Of course what they provide for is merely disclosure. They do not provide that the shareholders would somehow vote on executive compensation.

I think it is important to understand what is happening here. He will know if he remembers during the discussions that we had that I was one who in principle favoured disclosure. There are some concerns that I have about it however.

Mr. Rodriguez: Mr. Speaker, my point of order is that the hon. member has not read the amendment. It says that "the directors of a company shall place before the shareholders for approval at every annual meeting, a list containing the names of the five directors, officers or employees of the company who are to receive the highest salaries to be paid by the company in the next financial year of the company, together with the amount of such salaries".

Therefore, there is approval by the shareholders, brother, and that is what I was saying in my debate.

Mr. Manley: Thank you, brother Nickel Belt. The way it reads to me is that there is the usual requirement for approval of the shareholders. There is nothing in that amendment that requires that the shareholders approve the compensation. It asks for approval of the list of directors. If his intention was to have them perhaps he should rewrite it.

The point I am seeking to make in addition to that is that the concept of fairness surely has to prevail even among chief executive officers. I would think the NDP would agree with that.

I would suggest to the member, if he wishes to do something like this that he bring in a Private Member's Bill related to executive compensation of firms that are governed at the federal level. It would require disclosure of executive salaries, not just for executives of financial institutions, but executives of all corporations that are regulated by the federal government. That would be more fair.

It would still fall a long way short of fairness because —and there is nothing we can do about this without the co-operation of the provincial governments—it would continue to leave out of that system compensation for employees of corporations who are regulated in the provincial sector, all those incorporated for example in Ontario or elsewhere that were not carrying on federal activities.

He would be creating quite a disincentive for top executives for example to move from the manufacturing sector into the financial services sector. Until that system is the same for everybody, I think he is on the wrong path.

I think the final point that I would like to address is this idea that somehow disclosure of salaries is related to the failure of these institutions. That came particularly out of the comments by the member for Oshawa. He suggested that somehow when financial institutions fail, they go on to the public dole. Therefore because these executives' salaries are somehow related to institutions for which guess deposit insurance applies, that in one way or another there is a need for disclosure because public money was involved.

I must say I find that a complete red herring. I think we really need to focus on the issue of whether or not disclosure of executive compensation, either for the information of potential investors and shareholders or for the broader community, should be in place.

If so, we should encourage it at all levels. As the member for Malpeque pointed out, the evidence is that in the United States, CEOs receive a higher ratio of compensation to other individuals in their corporations than is the case in Canada.

There are statistics that prove that. If the object of this exercise is to hold down executive compensation—which I suspect is really what he is getting at, although he has not come out and said it, and since I guess it is part of the philosophy that everybody should be paid the same—the evidence is that it does not work. In fact the evidence is that when you disclose everybody's salary, then you have a kind of bidding war for the best CEO.

I am not sure, but it seems to me that there should be a little more study of this aspect of the proposal before we go down that road.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. DeBlois): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Deblois): Pursuant to Standing Order 76(8), the recorded division of the motion stands deferred.

[*Translation*]

Hon. Bernard Valcourt (for the President of the Treasury Board) moved:

Motion No. 3A.

That Bill C-28 be amended in Clause 234 by striking out line 23 on page 129 and substituting the following:

"accordance with Division X, which applies in respect of that acquisition with such modifications as the circumstances require, as if each reference in that Division to

(i) the "offeree company" or the "offeror" were a reference to the "company",

(ii) a "dissenting offeree" were a reference to a holder of a share of the company who has not offered to sell his or her share under the terms of the mutualization proposal,

(iii) an "offeree who accepted the take-over bid" were a reference to a holder of a share of the company who has offered to sell his or her share under the terms of the mutualization proposal, and

(iv) the "date of the take-over bid" or the "date of termination of the take-over bid" were a reference to the date on which the Superintendent approves the purchase or other acquisition of the shares of the company pursuant to a mutualization proposal."

[*English*]

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this is a very technical amendment dealing with mutualization not demutualization. From time to time a privately owned corporation in the insurance business wants to become a mutual company. This particular amendment that was formulated in our hearings in the Senate is a technical amendment to clarify how mutualization takes place under division 10 in the bill.

I think the amendment should carry without further debate.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): Motion agreed to.

Motion No. 3A agreed to.

[*Translation*]

Hon. Bernard Valcourt (for the President of the Treasury Board) moved:

Motion No. 3C.

That Bill C-28 be amended in Clause 254 of Bill C-28 be amended

(*a*) by striking out lines 7 and 8 on page 142 and substituting the following:

"policies or to cause itself to be reinsured against all or any portion of the risks undertaken by it;";

(*b*) by striking out lines 16 to 29 on page 142 and substituting the following:

"agreement to (*a*) transfer all or any portion of its policies to, or cause itself to be reinsured against all or any portion of the risks undertaken by it by, any company, society or foreign company that is authorized to transact the classes of insurance to be so transferred or reinsured;

(*b*) transfer all or any portion of its policies, other than its policies in Canada, to, or cause itself to be reinsured against all or any portion of the risks undertaken by it, other than risks in respect of its policies in Canada, by, any other body corporate;

(*c*) purchase or reinsure all or any portion of the policies of any body corporate; or

(*d*) sell all or substantially all of its".

Motion No. 3D.

That Bill C-28 be amended in Clause 257 by striking out lines 40 and 41 on page 143 and substituting the following:

"(*b*) cause itself to be reinsured against all or substantially all of the risks undertaken by it, or".

[*English*]

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, these two amendments deal with insurance and re-insurance for re-insurance company situations and are highly technical amendments again, formulated with assistance from the Senate hearings. We believe they ought to carry without debate.

[*Translation*]

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

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): The vote is on Motion 3C, standing in the name of Mr. Loiselle, and the result will apply to Motion 3D. Is it the pleasure of the House to adopt this motion?

Some hon. members: Agreed.

Motions Nos. 3C and 3D agreed to.

[*English*]

Motions Nos. 3E, 5A, 5B, 7C, 9A, 10B, 11A and 11B are grouped for debate.

Hon. Bernard Valcourt (for the Minister of State (Finance)) moved:

Motion No. 3E.

That Bill C-28 be amended in the French version of Clause 282 by striking out lines 13 and 14 on page 155 and substituting the following:

"antérieure à".

Motion No. 5A.

That Bill C-28 be amended in the French version of Clause 368 by striking out lines 35 and 36 on page 198 and substituting the following:

"quant à l'état des finances de la société pour l'avenir."

Motion No. 5B.

That Bill C-28 be amended in the French version of Clause 369 by striking out lines 42 and 43 on page 198 and substituting the following:

"effets négatifs importants sur l'état des finances de la société et nécessitent".

Motion No. 7C.

That Bill C-28 be amended in the French version of Clause 442 by striking out lines 31 to 38 on page 240 and substituting the following:

"des règlements concernant la divulgation du nom du mandat de la société mandataire visée au paragraphe (1) et de la rétribution éventuelle de celle-ci pour agir à titre de mandataire."

Motion No. 9A.

That Bill C-28 be amended in the French version of Clause 499

(*a*) by striking out line 10 on page 271 and substituting the following:

"un prêt au gouvernement d'un pays étranger ou à une";

(*b*) by striking out line 20 on page 271 and substituting the following:

"par ce gouvernement si l'acquisition fait partie d'un programme de réaménagement de la dette publique du même gouvernement."

Motion No. 10B.

That Bill C-28 be amended in the English version of Clause 542 by striking out line 3 on page 299 and substituting the following:

"provided by a financial institution or a".

Motion No. 11A.

That Bill C-28 be amended in the French version of Clause 630 by striking out lines 40 and 41 on page 338 and substituting the following:

"prévisions quant àB l'état des finances de la société pour l'avenir."

Motion No. 11B.

That Bill C-28 be amended in the French version of Clause 631 by striking out line 6 on page 339 and substituting the following:

"importants sur l'état des finances de la".

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, these amendments are an attempt to rationalize English and French. Every once in a while we have these problems as we try to make our bills read totally the same in both English and French. Consequently these motions help to correct that problem in the bill and they ought to pass without debate.

[*Translation*]

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

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): The vote on Motion No. 3E will apply to the other motions just debated.

The first vote is on Motion No. 3E. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): I declare Motion No. 3E carried. Motions Nos. 5A, 5B, 7C, 9A, 10B, 11A and 11B are therefore carried.

Motion No. 3E agreed to.

The Acting Speaker (Mr. DeBlois): Motions Nos. 3F, 3H and 11D, all standing in the name of the Minister of State for Finance, are grouped for debate.

Hon. Bernard Valcourt (for the President of the Treasury Board and Minister of State (Finance)) moved:

Motion No. 3F.

That Bill C-28 be amended in Clause 331 by striking out line 33 on page 183 and substituting the following:

"accounting principles, the primary source of which is the Handbook of the Canadian Institute of Chartered Accountants."

Motion No. 3H.

That Bill C-28 be amended in Clause 346 by striking out line 47 on page 190 and substituting the following:

"auditing standards, the primary source of which is the Handbook of the Canadian InstituteB of Chartered Accountants."

Motion No. 11D.

That Bill C-28 be amended in Clause 641 by striking out line 28 on page 343 and substituting the following:

"auditing standards, the primary source of which is the Handbook of the Canadian Institute of Chartered Accountants."

[*English*]

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, these are amendments that are very similar to amendments that were moved on Bill C-19 and Bill C-4. They involve the introduction of the handbook of the Canadian Institute of Chartered Accountants as a reference with respect to acceptable accounting practices and ought to be carried without debate, as they were before.

[*Translation*]

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

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): The vote is on Motion No. 3F, standing in the name of Mr. Loiselle.

Remember that the vote on Motion No. 3F will apply to Motions Nos. 3H and 11D. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): I declare Motion No. 3F carried.

Motion No. 3F agreed to.

The Acting Speaker (Mr. DeBlois): Motions Nos. 3F, 3H and 11D are thus agreed to.

[*English*]

Motions Nos. 3G and 11C standing in the name of the hon. member for Nickel Belt are grouped for debate.

Mr. John R. Rodriguez (Nickel Belt) moved:

Motion No. 3G.

That Bill C-28 be amended in Clause 337 by striking out line 40 at page 185 and substituting the following therefore:

"meeting, appoint two auditors, who shall be independent of each other, to hold office".

Motion No. 11C.

That Bill C-28 be amended in Clause 633 by striking out line 31 at page 339 and substituting the following therefor:

"two auditors, who shall be independent of each other, for its insurance business in".

He said: Mr. Speaker, these two amendments would require two auditors for these new creatures that are being created with this legislation.

One of the things we have said consistently about these bills C-4, C-19 and C-28, is that they will result in a different kind of financial institution. Since the pillars are being collapsed in effect, insurance companies are going to own trust and loan companies.

There are expanded powers for insurance companies. They will be able to take certain types of deposits. They want to grow. They want to become bigger. They want to become global competitors.

As this happens we need to build in fail safe protection for depositors, investors and the people of Canada. I could not imagine why the government and the Liberal opposition would agree to reduce the number of auditors for a bank to one when they had two. I could not understand it.

I have heard the arguments from the member for Mississauga South and from the Liberal side. Having two auditors in the case of the Northland Bank and so on did not prevent the collapse of the bank. Because somebody broke into your house does not mean that you do not keep locks on the doors. That is the same argument.

Because people can break into your house, somehow or other you should make it easy for them and unlock the door. Leave it unlocked. We have argued that two auditors are essential. This is a check on what one auditor does. This is a protection for those who invest in the company and depositors.

I was amazed that the government members and the Liberal opposition in committee would actually vote to remove the dual auditor system. Yet they are prepared to put in the actuary and an auditor. It seems to me that the two auditors to check and double check on a financial institution is absolutely essential to the integrity of the institution.

We had evidence when Michael Mackenzie came before the committee on Standard Trust. If you read the evidence he gave—I read some of it into the record the other day—in the minutes of the finance committee meeting, he consistently pointed out how much OSFI depended on the auditor's report.

It consistently pointed out that OSFI does not have the wherewithal to do the audit of all the financial institutions that come under federal jurisdiction. He pointed out very clearly his reliance on the auditor's reports.

Now for a whole new creature that is being created in this legislation, we are going to tell him that he will have to do with one auditor's report.

Even in the world of medicine they recognize that a second opinion is also very important for a patient. You go to the doctor, he examines you and says: "Well, it is your liver. If you want a second opinion, it is your kidney."

People have availability to second opinions. I see the member for Mississauga South shaking his head. The dual audit system for the banks has served Canadians well. What we are creating here is the potential for very large and complex financial institutions. Yet we are suggesting and saying to them that you only need one auditor.

We cannot accept that. We believe that if you are giving them all of these new powers, you do not lessen the controls. You do not lessen the hurdles. You do not lessen the safeguards which are needed with respect to the regulatory system. I was accused when I arBgued this on C-4 and C-19 that I wanted to make work for accountants. I want to tell you that given the need to employ, given the fact that we have over 1.5 million Canadians unemployed, I would encourage young people to seek a career in accounting.

• (1630)

I know that the Accountants Association would really appreciate the pitch. If this is the way to go, it is a great opportunity.

I want to say that accounting is one of the professions and if you like it, what a wonderful opportunity. Guaranteed employment.

We do two things. We put a safeguard on the financial institutions of the country. It was interesting that when the banks came before the committee they said they wanted the two accountants and the two auditors. They want the dual audit system. They were not in favour of reducing the audit system to one. They wanted two. They argued that if all these other institutions are going to become more like banks, then the same rule ought to apply to the two audit system. This indicates to the public that there is a system in place, a safeguard system of auditing of financial institutions.

It is not just New Democrats in this corner of the Chamber who argued for the two audit system for financial institutions. There was one Conservative member on the committee who agreed with the requirement for two auditors. The member for Markham voted yesterday with this party to have the two audit system.

My colleague from Cambridge pointed out yesterday in a point of order, because I had erroneously lumped him in with other Conservative members who were for eliminating the two audit system, that other countries of the world with a one audit system are now looking at establishing a two audit system.

An hon. member: Do you mean we are going backward while they are going forward?

Mr. Rodriguez: That is right. They are coming from a one audit system and want to put a two audit system on their financial institutions. While they are going forward, we are taking a step backward.

Again I appeal. I know that the*in loco ministerio* who is sitting over there from Mississauga South loves this position. If you cannot be a Minister of State for Finance you can at least been *in loco ministerio*. I know that he could run into the back rooms and consult with the officials because this again is his last chance to do something for the depositors the investors and the people of Canada. He could run back now, even as you wait to take the vote. He could go quickly and come back and say: "We will put the two audit system in place".

Mr. Pat Sobeski (Cambridge): Mr. Speaker, just to clarify, I think he has misled his colleague from Oshawa. The banks had a two auditor system and yesterday, against my wishes, the banks now have an option of going to one auditor. However, the insurance companies currently have only one auditor. Now the member for Nickel Belt wants to bring in two, so it is quite different.

The other thing I would point out is when we were in committee not a single word of debate was raised on this particular point.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, this again is a motion which is similar to the motions we discussed on the floor of this House in the last couple of days regarding the Bank Act and the Trust Companies Act.

This whole issue was raised in the finance committee and it was felt that there was no need for two auditors. As well, the Superintendent of Financial Institutions, who is a very knowledgeable person in this whole area of financial institutions, has indicated that there is no obvious reason to have two auditors.

It may sound like a great idea but if it is not necessary, as the Superintendent of Financial Institutions has indicated, then why should we inflict this added expense on the insurance company? In the long run, it will be passed on to the people who use the services of the insurance company in increased premiums and other ways.

This party believes it is an unnecessary expenditure and if it is unnecessary, then we certainly are not prepared to go along with this.

So we on this side of the House will be voting against this amendment.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, the hon. member for Cambridge suggested that the member was going too far in asking for two auditors in this case since there is only one auditing firm required now. What he did not hear perhaps was the argument from my hon. colleague to the effect that the new legislation, the whole package of legislation that has been put together, is going to allow the insurance companies to become very much larger institutions than they currently are and they will be able to do everything, including what the banks are doing.

We are looking at a totally different situation. There is an argument going on, Mr. Speaker. The hon. member for Cambridge says they will not be able to take deposits and the hon. member for Nickel Belt says they will be able to take certain deposits. I do not know which ones and I do not think it matters. Certainly one of the reasons that this legislation is being considered by this House is that certain people with the right influence in the right places who want insurance companies to become much larger and much more important in the financial affairs of Canada are urging that this legislation be passed. Indeed, it is working its way through the process.

In any case they are going to become larger, there is no question about that. If there is to be an argument made for two auditors, it should apply to those institutions as well.

Yesterday the hon. member for Malpeque said why load them with all this extra cost, and the hon. member for Mississauga South used that same argument as well. They made it sound as though having two auditors is twice as expensive as having one. I argued against that yesterday and suggested that what they are really saying is that two individual audit firms are going to go in as totally separate entities. One is going to do the same work as the other, follow along in the footsteps of the preceding one or take turns leading. They certainly do not have much faith in audit firms if they think that they are going to go in and double the work just for the fun of doing it. If that were to actually happen, it is one reason the government would want to have two audit firms. That would at least beef up the GST revenues, and goodness knows they need a lot more of that these days.

However it would not happen. There might be a nominal increase in the fee having two firms, but there is another argument they used. Something might be missed if there were two firms on the job, since one might assume that the other had covered it. Again, I dealt with that argument yesterday and said that two audit firms would sit down and plan their work. With two of them looking it over, they are more likely to cover everything. Neither member who raised concern about this matter raised the argument that I made. They did not deal with it. They did not deal with the cost. I said that the cost might be a little more, but only because there were two looking over it to make sure it was a complete audit. Neither was that argument dealt with.

• (1640)

It seems to me that I have dealt with the only arguments the member for Mississauga South and the member for Malpeque raised with respect to the tremendous increase in cost of having two and the likelihood of missing something if there are two people looking. There has been no response from either one of those members on those two arguments. It would seem to me their case in favour of reducing it to one auditor has been destroyed and they have not tried to revive it. I just wonder if either one of them would like to comment on that.

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

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on the Motion No. 3G. The vote on Motion No. 3G will apply to Motion 11C.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. DeBlois): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 76(8), the recorded division on the motion stands deferred.

Motions Nos. 4, 5, 11 and 12 are grouped for debate.

Ms. Catherine Callbeck (Malpeque) moved:

Motion No. 4.

That Bill C-28 be amended in Clause 347 by adding immediately after line 38 at page 191 the following:

"(3) A person who in good faith makes an oral or written communication under subsections (1) or (2) shall not be liable in any civil action arising therefrom."

Motion No. 5.

That Bill C-28 be amended in Clause 366

(*a*) by striking out line 4 at page 198 and substituting the following therefor:

"366. (1) On the request of the actuary of a";

(*b*) by adding immediately after line 15 at page 198 the following:

"(2) A person who in good faith makes an oral or written communication under subsection (1) shall not be liable in any civil action arising therefrom."

Motion No. 11.

That Bill C-28 be amended in Clause 628

(*a*) by striking out line 9 at page 338 and substituting the following therefor:

"628. (1) On the request of the actuary of a";

(*b*) by adding immediately after line 21 at page 338 the following:

"(2) A person who in good faith makes an oral or written communication under subsection (1) shall not be liable in any civil action arising therefrom."

Motion No. 12.

That Bill C-28 be amended in Clause 642 B (*a*) by striking out line 39 at page 343 and substituting the following therefor:

"642. (1) On the request of the auditor of a";

(*b*) by adding immediately after line 9 at page 344 the following:

"(2) A person who in good faith makes an oral or written communication under subsection (1) shall not be liable in any civil action arising therefrom."

She said: Mr. Speaker, this motion has to do with the flow of information to auditors and actuaries. I am pleased to move this motion today because I feel it is very important that there is a free flow of information to the auditors so that they can conduct a thorough audit.

This amendment actually prevents a lawsuit against anyone who gives information to the auditor or to the actuary of financial institutions. We feel that this protection is required. We feel it is important because questionable accounting practices have been blamed in part for the failures that we had in the western banks in 1985 and then of course last year too with the Ontario based Standard Trust. The Superintendent of Financial Institutions told the committee last November that improved accounting practices might have made a difference in Standard Trust.

To take an example, if an employee of an insurance company has information that he knows the auditor needs in order to perform a proper audit or a thorough audit in which the company would rather not disclose or will not disclose, that person might be reluctant to go forward and give that information. However, if he knows there is no way he can be sued by the company then I am sure that he is more liable to go forward and give the information to the auditor which could very well result in better financial statements and seeing problems that may be small problems now but could develop into major ones.

Certainly we have heard no evidence to suggest problems in the way actuaries calculate the risks in returns in insurance company policies. However we feel that establishing the same sort of protection would increase the flow of information even further. We are not only proposing this amendment for auditors but also for actuaries as well.

I would urge the House to support this amendment for insurance companies and remind all members of the House that we agreed in the last two days to accept this amendment for banks and insurance companies.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the government would be very prepared to support the amendments if they could be amended in accordance with amendments that I circulated to the opposition.

The amendments are all the same for each of the motions amended. The amendment would read:

"(3) a person who in good faith makes an oral or written communication under subsections (1) or (2) shall not be liable in any civil action arising from having made the communication.

In other words, it ties down the relief against the communication and only the communication. I suspect my friend from Malpeque would be delighted to accept these alterations. If that is the case, and with the unanimous consent of the House, may I make those now.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in light of the fact that when this was first proposed as a motion by the Liberals on Bill C-4, we argued for it because we thought it was a good idea, it was a good amendment, and we supported it. In fact I would hazard a guess that it was the vigorous debate and insistence of the group of this side of the floor which persuaded the government that it ought to accept this amendment.

We have no problems with extending it to the Insurance Companies Act.

The Acting Speaker (Mr. DeBlois): The House has heard the terms of the amendment tabled by the hon. member for Mississauga South. Is there unanimous consent for the hon. member to table the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Amendment (Mr. Blenkarn) agreed to.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I just wish to put on record some of the arguments in favour of the motion that has been introduced by the Liberals.

As mentioned before, if the government succeeds in its legislation—and it appears it most probably will—we will find sort of the collapse of the pillars. We will have trusts being able to sell insurance, vice versa and so forth. The possibility of conflict of interest, of tied selling, of undue influence on people who are taking their mortgages out, for example with some sort of unwritten requirement that would force them to take a certain life insurance or a certain mortgage insurance policy out, and the temptation for doing things that are not legal are going to be much greater. Therefore of course the need for regulation is going to be much greater.

It is impossible to regulate every instance, every situation. I drew the attention of the House to the hypothetical possibility where in the Royal Bank in southeast Saskatchewan on one desk is the person that deals with the mortgages and on the other desk is the person who sells insurance. It is impossible to police or to prevent the two people from talking to each other, to prevent the person who is selling the mortgages from saying to the person who is selling the insurance: "Joe Smith has just got a mortgage. Why don't you go after it?" That type of activity is not legitimate and should not be legal.

• (1650)

There is a tremendous need for some form of self-regulation. It is the lowly clerk in there who will see abuses occurring and illegal activity occurring. This amendment makes it a little easier for the clerk to step forward and to say: "There is something illegal happening here. There is something wrong with what is happening here". Of course it frightens the clerk to take on a big institution.

After the legislation is passed conceivably we are going to have some very giant institutions. For a little clerk or teller to take on the institution is quite a daunting task. The clerk of course is concerned that the financial institution will bring some legal action against that person. The little clerk just feels totally intimidated. He can barely meet all of the expenses during the month, and the thought of being forced to go into court, to go out and hire a lawyer, and to face the legal department of a trust, one of our banks or one of our large insurance companies is just impossible. It is one-sided and unfair.

With this amendment we are offering that clerk, that low paid person, some form of protection. I think it is an excellent amendment. I am glad to see that the government through the persuasive powers of opposition members has accepted the essence of the amendment. I hope it will do what we all hope it will do, that is provide protection for the small people working in big institutions.

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

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on Motion No. 4, as amended. A vote on Motion No. 4, as amended, will apply to Motions Nos. 5, 11 and 12, as amended.

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

Some hon. members: Agreed.

Motion No. 4, as amended, agreed to.

[*Translation*]

Hon. Bernard Valcourt (for the Minister of State (Finance)) moved:

Motion No. 4A.

That Bill C-28 be amended in Clause 351 by striking out line 41 on page 193 and substituting the following:

"(*b*) in the case of a life company, loans owing to the company by any".

[*English*]

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this is a very technical amendment. It ties the particular amendment down to life insurance companies. One of our problems is that we are now putting life insurance companies, property and casualty insurance companies and friendly societies all in one bill.

This particular amendment specifies that the change is to life insurance companies. It is really an amendment for clarification and should carry without any problem.

[*Translation*]

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion No. 4A agreed to.

[*English*]

The Acting Speaker (Mr. DeBlois): Motions Nos. 5C and 11B.1 are grouped for debate.

Hon. Bernard Valcourt (for the Minister of State (Finance)) moved:

Motion No. 5C.

That Bill C-28 be amended in Clause 370:

(*a*) by striking out line 12 on page 199 and substituting the following:

"370. (1) Any oral or written statement or";

(*b*) by adding immediately after line 15 on page 199, the following subsection:

"(2) The actuary or former actuary of a company who in good faith makes an oral or written statement or report under section 363 or 369 shall not be liable in any civil action seeking indemnification for damages attributable to the actuary or former actuary having made the statement or report."

Motion No. 11B.1.

That Bill C-28 be amended in Clause 632:

(*a*) by striking out line 26 on page 339 and substituting the following:

"632. (1) Any oral or written statement or";

(*b*) by adding, immediately after line 29 on page 339, the following subsection:

"(2) The actuary or a former actuary of a foreign company who in good faith makes an oral or written statement under subsection 627(1) or section 631 shall not be liable in any civil action seeking indemnification for damages attributable to the actuary or former actuary having made the statement or report."

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, in the course of a great deal of consideration in the Senate committee it became apparent that something ought to be done specifically to protect actuaries and former actuaries from lawsuit if they were only fulfilling the actual requirements set out in the statute to report to the superintendent with respect to the actuarial status of a particular company.

Since most of these actuaries are employees and the effect of making a bad actuarial report may well lead to the dismissal of the actuary in one form or another, it is felt that we ought to protect the actuary from this kind of action by the amendments set out in Motions Nos. 5C and 11B.1.

I think this is in line with the other four amendments we just passed dealing with other employees including the amendment concerning auditors. Therefore I suggest that it pass in the same fashion.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I notice that this motion came to us from the Senate. I recall, when I was looking up the testimony in the minutes of the finance committee when we studied this bill, that of Mr. Paul MacCrossan, president of the actuaries union. It is a very strong union. I guess that is because there are so few of them in the country. He made this pitch to the finance committee when we were studying the bill. The government did not buy it at all. Mr. LePan from the department did not buy it and the members of the finance committee did not buy it. There was a lot of debate around the idea.

We are providing freedom from liability for civil action not for an employee, as was the case put forward by the member for Malpeque. This is not the same type of thing. We are exonerating a whole class of actuaries. We are identifying a group and saying it is exempt. We are protecting them if they make a good faith statement, written or oral. Where does competency come in? Are they free from liability for civil action if they were incompetent but said: "I made it in good faith"? Where is the line? What is good faith? Are we prepared to deny people who may have the possibility of a good civil action against an actuary by protecting the actuaries with this?

I raise the question though I know the member for Mississauga South cannot speak again on this. I would hope he could, on a point of order, rise and give us a bit of enlightenment on why what was not good enough for the finance committee was good enough for the boys over in the Senate. Why did they buy that argument? Why have the government and the minister changed their minds? This intrigues me and I would appreciate if

the member could get up on a point of order to explain why.

Mr. Blenkarn: Mr. Speaker, I rise on a point of order. It is only fair that the House have some explanation.

These motions were never placed in the finance committee. They were discussed but no one was prepared to move them at the time. As a consequence they were never moved.

In the Senate a pre-study hearing indicated that there was more reason to do it than had been explained to the finance committee at the time.

• (1700)

One of the advantages of having the other place is that in it there are some people who have been involved with these companies in a senior management position. It is useful for the government to have their advice. We talk about the other place being useless and tired and so on. However, may I suggest to my friend from Nickel Belt that it may be that some senators are also very expert in the area of how institutions like insurance companies operate.

That is why there are a number of amendments coming from the hearings in the Senate that we think are exceptionally useful. This is one of them. We are prepared to accept the kind of release that we were prepared to accept with other officers and employees.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I want to say a few words on this amendment, which we support because it will protect an insurance company actuary from being sued if he or she blows the whistle on the company.

Actuaries are the people who calculate the risk of insuring an individual and they come up with an appropriate premium for that person to pay. Therefore, they have a great deal of information about a company. They are in a position to know if a company is either breaking the law or is in troubled waters.

This is why the actuarial profession is seeking protection for an actuary who blows the whistle. For example, an actuary may tell the Superintendent of Financial Institutions that a company is not being run properly or is not being run according to statute or the law.

Unlike auditors, who work only temporarily for a company and then move on to another company to do another audit, actuaries are generally employees of the insurance company. They become identified with the company. An actuary who blows the whistle on his company therefore would probably lose his job, put his reputation at stake and has a great deal to lose.

We on this side of the House support the amendment. I want to also mention that Monday and Tuesday we suggested another whistle blowing amendment to the trust and the bank acts. It protects the individuals who give information to the auditor in good faith, information that would allow the auditor to prepare a more thorough audit and be more accurate.

We will be supporting this amendment.

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

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on Motion No. 5C. A vote on Motion No. 5C applies to Motion No. 11B.1.

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

Some hon. members: Agreed.

Motion No. 5C agreed to.

Hon. Bernard Valcourt (for the Minister of State (Finance)) moved:

Motion No. 6A

That bill C-28 be amended in clause 408 by striking out line 48 on page 216 and substituting the following:

"Common shares, had total assets in an amount".

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

Some hon. members: Agreed.

Motion No. 6A agreed to.

Hon. Bernard Valcourt (for the Minister of State (Finance)) moved:

Motion No. 7A

That Bill C-28 be amended in clause 441 of Bill C-28 be amended

(a) by adding, immediately after line 24 on page 239, the following:

"(d) provide information processing services in Canada that the company has developed for its own use and that are an integral part of the company's operations to entities in which the company has a

substantial investment that do not provide information processing services to other entities,";

(b) by relettering the subsequent paragraphs and any cross-references thereto accordingly

Motion No. 7B

That Bill C-28 be amended in Clause 441 by striking out lines 44 to 46 on page 239 and substituting the following:

"and services respecting risk management and claims adjustment, operate rehabilitation and training".

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, both of these amendments have resulted from very extensive work in the Senate on this particular bill. They are amendments that improve the technical workings of the bill.

The first amendment allows a company to do its data processing for its subsidiary companies, from one company to the other, without a problem. That is the type of thing we have allowed in other bills. This particular matter was not corrected and caught at the time.

The other one operates in connection with risk management. It is a redefinition of very technical matters that I think are important.

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

An hon. member: Question.

The Acting Speaker (Mr. Paproski): The question is on Motions Nos. 7A and 7B.

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

Some hon. members: Agreed.

Motions Nos. 7A and 7B agreed to.

Hon. Robert de Cotret (for the Minister of State (Finance)) moved:

Motion No. 7D

That Bill C-28 be amended in Clause 461 of Bill C-28 be amended

(a) by striking out line 36 on page 245 and substituting the following:

"amount to an account from which a payment can be made to its shareholders, if";

(b) by striking out line 29 on page 246 and substituting the following:

"the transfer to the account from which a payment can be made to the shareholders".

Motion No. 7E

That Bill C-28 be amended in Clause 463 by striking out lines 23 to 26 on page 247 and substituting the following:

"A is 10 per cent of the aggregate unappropriated earned surplus of the participating accounts".

Mr. Don Blenkarn (Mississauga South): Again, both of these are technical amendments. One amendment will allow a company to transfer money from one account to another in order to make payments to shareholders and the other one removes a $2 million cap on transfers but retains the cap calculated in accordance with their provisions of the section.

These are technical amendments that were organized in our review in the Senate. I would appreciate if they could pass without any further debate.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to raise my concerns about 7D. I presume it originated in the Senate. Clause 461 in the bill says: "or transfer an amount to the stated capital account". I presume, if this is an insurance company, that it may have shareholders and will have policyholders. The guys who are the policyholders ought to get their fair share of any money in the participating account.

We did not discuss that in the finance committee. I noticed the amendment in 7D changes it to an account from which a payment can be made to its shareholders. I just want to raise that issue.

Again, if the member for Mississauga South can stand up and explain this I would appreciate it. Does that mean there is a possibility that policy holders could get less money than the people who are the shareholders, especially if you have demutualized an insurance company? This is a real concern. We are setting up a capital account. The mutual companies wanted to have this legislation because they argued for the ability to be able to increase their capitalization. We said this was a good idea. Now it has turned out that it is a different kind of an account. It is an account from which moneys can be paid to shareholders. I have a real problem with that because the policy holders in a mutual company are the ones who put the money in and are the real owners. That was one of the things we were concerned about when we discussed it in committee.

• (1710)

Lo and behold, when it went over to the boys in the other place they came up with this little thing where you take out the capital account and you make an account where you put money in to pay shareholders as opposed to policy holders.

Mr. Blenkarn: On a point of order, Mr. Speaker. My friend is getting carried away with himself. If he takes a look at 461, the statute will read: "A company that has share capital may, from a participating account maintained pursuant to section 456, make a payment to its shareholders ", and then the new section will say: "or transfer an amount to an account from which a payment can be made to its shareholders". In other words, it could pay the money to the shareholders or it could transfer that money to an account from which it could pay its shareholders. There is no effort to deceive here, this is just a question of wording. The current wording that was there was to transfer an amount to the stated capital account. This is an amount that can still be transferred to shareholders because it is money that was from shareholders for shareholders only. It is being transferred in this fashion and goes into an account, but then it can be further paid out to shareholders at a later day.

The Acting Speaker (Mr. Paproski): Does that satisfy the hon. member for Nickel Belt, the point of order?

Mr. Rodriguez: No, Mr. Speaker. We had a concern in the Insurance Act about one of the arguments made by witnesses before the committee. They wanted the process for demutualization.

Mr. Blenkarn: This has nothing to do with it.

Mr. Rodriguez: Well if they demutualize they are going to have shareholders and they are going to have policy holders. That is the way it is going to work.

Mr. Blenkarn: On a point of order, Mr. Speaker. My friend will remember that an insurance company with common shareholders as the owners of the company, also issues participating policies. The participating policy holders are entitled to what we, in common parlance, call dividends. This is essentially a dividend rest account. Certain other provisions in the bill are set out as to how that money is to be handled and under what circumstances it can be paid out. In other words, it is not a free pay-out because there are certain requirements to keep money on account on behalf of the participating policy holders, to act as a backing for those policies.

This is a very technical matter and I would be delighted to have one of our senior people explain it better than I can because I do not profess to be the expert on everything.

I want to say that this is just a technical change in this particular provision that came from our hearings in the Senate.

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

An hon. member: No.

The Acting Speaker (Mr. Paproski): The hon. member for Nickel Belt has a few more words he would like to respond on.

Mr. Rodriguez: Mr. Speaker, I just have one more suggestion. I think we should bring in the minister and have him explain it.

An hon. member: Good idea. It sounds fair.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motions Nos. 7D and 7E agreed to

Ms. Catherine Callbeck (Malpeque) moved:

Motion No. 9.

That Bill C-28 be amended by adding immediately after line 14 at page 256 the following new clause:

"489. (1) A company must use plain language in all contracts related to financial services, applications for financial services and related documents which it provides to its customers who are natural persons.

(2) Subsection (1) does not apply to words or forms of documents that are prescribed by law.

(3) Subsection (1) does not apply to contracts, applications for financial services and related documents where the price of the financial service or the total liability assumed or to be assumed by the customer exceeds two hundred and fifty thousand dollars.

(4) Proof that reasonable efforts have been made by the company to comply and maintain compliance with subsection (1) is a complete defence (*a*) in a prosecution under subsection (1), or (*b*) in a dispute about whether subsection (1) has been complied with.

(5) The failure of a company to comply with subsection (1) does not affect the enforceability of any document referred to therein and may not be asserted by a customer or a company as a defence in an action or proceeding based on a document referred to in subsection (1).

(6) As used in this section "customer" includes a natural person who is a guarantor or provides security to a company.

(7) Subsections (1), (2), (3), (4), (5) and (6) shall come into force on the day which is two years after the coming into force of section 1 of this Act."

She said: Mr. Speaker, this is a motion called plain language. What it actually does is require an insurance company to put various documents that must be signed by a customer in plain language. If that customer is getting an insurance policy, or any other document from an insurance company that they have to sign, they can actually pick up the document and read it.

I am sure that most of us in this House have received documents from an insurance company that were very, very difficult to read, had very small print and long sentences in legal language. In other words, it was not in day-to-day language that the average person could understand.

This amendment would require insurance companies to put these documents in everyday words, short sentences, so that a document can be read by a customer and the customer can understand what they are signing.

I know the industry is proceeding along this line. I know that there is a trend to make simpler documents. I certainly want to commend the companies in various financial institutions that are doing this. Yesterday the hon. member from Mississauga said that it is too difficult to do. But it has been done. In the United States at least 10 states have passed this legislation. New York was the first in 1978, and reports by experts from New York say that the results are really remarkable. We have also had this legislation passed in one province of Canada, Alberta in 1990.

I can agree that it would probably be difficult. But the fact is that it has been done, so there is no reason why it cannot be done here in Canada.

I think it is a reasonable amendment. It is giving insurance companies two years to get their documents translated into simple everyday language. It is also only for customers who borrow less than $250,000.

It is certainly something that is can be done. As I said, it has been done in at least 10 states in the United States with good results and it has been passed in the province of Alberta. I think this legislation would go a long way in providing a better service to the customers of financial institutions.

One of the main objectives of the Liberal Party during this whole study of financial institutions was to come in with legislation that would better serve the Canadian public. I would encourage all members of this House to support this plain language amendment.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I spoke to this matter yesterday on two occasions. I just want to say that I appreciate very much the spirit with which the amendment is made. Unfortunately it is pretty difficult for us to judge what language is "plain".

When I talk to the Minister of National Revenue he boasts about how plain the language is and how easy his forms are to fill in. The other day I was given the privilege by my daughter of helping her do her income tax. She is a single parent and I had to wade through the form.

• (1720)

The book that the minister produces in his plain language has various paragraphs underlined in yellow and so on. I waded through the form and was getting a bit frustrated. It was written, as we will all appreciate and as the minister says, in plain language. It was simple. It was easy. Anybody could do it.

That is why I am not the chairman of the finance committee. I was having a hell of a time. When we get to these plain language matters, I think we all appreciate things being simpler. I had difficulty on the minister's plain language income tax form.

If we were to put this in, we would just be encouraging one lawsuit after another with people claiming that the language of the document was not plain enough for them. I do not know whether Shakespeare wrote in plain language, but I suppose it was plain enough for the time.

Some of us had difficulty when we were at school doing English that involved Shakespearian plays. I guess they were not plain to us. If the member could tell us what is plain and what is not plain, what is complicated, what is difficult and what is easy, I suppose that is all in the eye of the beholder. It would be very, very difficult to ever define plain language.

One of these days, when we as drafters of legislation and legislators get our act in order, when we draw legislation that is in plain language, then we can expect the citizen to do the same. Until we can do it, I suspect it would be too much to ask the citizens to do better.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, I would like to congratulate my colleague from Malpeque for this amendment.

I cannot think of anything more sensible than having a document written in plain language. I have certainly had a lot of people come into my office. I have had personal experiences when I have had a terrible time reading the documents. People are suffering, and they make mistakes in judgment because they cannot understand the document.

I am surprised at my colleague across the floor who says he does not understand what plain language is. It was used in 10 states in the United States and it has been successfully used since the 1970s in New York. Why can he not pick up the phone or get his staff people to pick up the phone and find out what plain language is, if he cannot understand what plain language is as he just suggested.

This motion is so sensible that it is most certainly not going to be accepted by the Conservative Party because it just seems so easy and logical. I imagine that it will not be accepted by the hon. members across the floor.

Again, I congratulate the member. I hope my hon. colleague and all members support the amendment.

Mr. Mike Breaugh (Oshawa): Mr. Speaker, I think the concept of plain language for legislation is laudable.

I am a little confused, sitting back in the corner this afternoon. I listened to the member for Mississauga South indicate clearly that he liked the idea of plain language amendments and accepted it in some circumstances. But I think if I am right, he is not going to accept plain language here.

In other words, having made the argument that it is a good idea is not good enough. That perhaps speaks to what happens inside this Chamber.

The second thing is I think the concept is laudable. We had better get it into the record what this amendment says this afternoon. It is laudable that a company must use plain language in all contracts related to financial services, applications for financial services and related documents which it provides to its customers who are natural persons.

That is great. I like that. What I do not like are the weasel words which come after, that subclause (1) does not apply to words or forms of documents that are prescribed by law. What is the use of writing something in plain language if you do not have to, if it is in a form prescribed by law? It seems to me that kind of mitigates the original idea.

Subclause (3) says that subclause (1) does not apply to contracts, applications for financial services and related documents where the price of the financial service or the total liability assumed or to be assumed by the customer exceeds $250,000. I do not enter into a whole lot of those kind of things but it sBeems to me that for $250,000 I ought to be able to understand what I am signing.

In subclause (4) it says:

> Proof that reasonable efforts have been made by the company to comply and maintain compliance with subsection (1) is a complete defence—

Holy mackerel, if they try, that is a complete defence. "In a prosecution under subsection (1)—or in a dispute about whether subsection (1) has been complied with", I am losing the plain language part of this amendment real quick.

If you turn the page to subclause (5), the plain language amendment, it says:

> The failure of a company to comply with subsection (1) does not affect the enforceability of any document referred to therein and may not be asserted by a customer or a company as a defence in an action or proceeding based on a document referred to in subsection (1).

Are you with me, people all across Canada? It is a plain language amendment we are talking about. I think the lawyers are starting to froth at the mouth already.

In subclause (6) of the plain language amendment, it says: "As used in this section "customer"—get ready for this one—"includes a natural person". Wait a minute, there are other kinds of persons around. It is "a natural person who is a guarantor or provides security to a company". There has to be something wrong with that one.

However, if you were worried so far go to subclause (7) of the plain language amendment. This is the one you should read carefully. It says: "Subsections (1), (2), (3), (4), (5) and (6)"—

An hon. member: No (7).

Mr. Breaugh: Six of them, "shall come into force on the day which is two years after the coming into force of section 1 of this act". Wow, that is tough legislation.

Where I come from plain language means that at the end of a discussion both parties understand what was said. I do not think it quite meets that criteria.

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I wonder if I might add some comments to this discussion on the very important concept of plain language. I think that the amendment put forward by the hon. member for Malpeque has some very important ideas in it.

I can understand why some of the colleagues in this House would not want to accept it, and as part of the government I would say that it is not an amendment we want to accept. I think that there has been some confusion in the debate. I would like to address the point raised in the amendment because she addresses a very important area of public policy.

When the amendment says that the requirements would not apply to a form prescribed by government it is simply to make it clear that there are certain kinds of forms which financial institutions must use which are prescribed by government. It is simply to save them harm from complying with the law.

The question about plain language is a very interesting one. It is one that the legal profession has been wrestling with very seriously in a variety of areas of commercial law. There is no question that the need for plain language exists. The debate within the legal profession or in the area of the law is between plain language and the concern about giving up the use of what are called "terms of art". Those are legal terms around for which there is an established jurisprudence so that everybody knows what they mean. We are gradually, slowly transferring ourselves from some of those arcane "terms of art" to plain language. The motivation behind the hon. member's amendment is very admirable and is very consistent with the concern lawyers themselves have about the accessibility of the law, legal terminology and contractual language to ordinary people and of not making these things purely the purview of people who are legally trained.

The question is whether it should be required in statute. I think my colleague, the hon. member from Mississauga East, makes a very good point in asking: "How do you define it for the purposes of the statute?" I know that one of the hon. member's colleagues asked what they are doing in the United States. I would like to find out whether there is a statutory definition of what "plain language" is or whether there are regulations.

What usually happens is that new forms are devised, an insurance policy or of a loan document or a mortgage document, which are then agreed upon. Many then become forms prescribed by government. The problem with the hon. member's amendment is that it creates an obligation without making it clear how someone meets that particular obligation. However, I think there is no question that there is a growing acceptance of the need for plain language. It may be—I would like to see the examples—that in Alberta what has been done is that certain forms have been prescribed and certain language has been prescribed.

• (1730)

What the hon. member raises in her amendment is certainly an important issue of public policy. In the Department of Justice one of the areas that we fund is research on the issue of plain language in the law to try to make it more accessible.

I would be concerned to have it in the statute now, without knowing how this was going to be defined. However, I would certainly be willing to undertake on behalf of my government to work with my colleague, the minister responsible for financial institutions, to explore this issue further if this amendment fails. I have no criticism of the policy underlying it, but I have more reservations about whether this wording should go into the statute now.

As with the hon. member who just spoke I have no difficulty with the use of the term "natural person". It is one of those nice terms of art in the law. We all know what it means, but maybe in itself it is an argument for finding a more plain language explanation for it.

The what he calls the weasel words but what I would call the qualifications of the hon. member's colleagues reflect the fact that we are still perhaps not quite ready to entrench this principle in the statute. However, I want to compliment the member for Malpeque because I think she has put her finger on a very important issue of public policy that all of us who deal with legislation should be conscious of. I want to indicate to her that I am quite prepared to take the meaning of the amendment on advisement and work with my colleague to see whether we cannot as a matter of policy push for the use of more accessible language in the documents that are so important to Canadian people.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have no hesitation in supporting this amendment. Frankly I am rather puzzled at the minister's response because basically she says she supports the spirit of the amendment but she will not move it forward by way of legislation. The fact is that plain language as a premise should be entrenched in the law. Frankly I do not think it should be the purview of only lawyers to sit down and determine what is plain language.

We are legislators who are charged with the responsibility of developing laws. My colleague, the member for Malpeque, has enshrined a very important principle, which is to advise by statute that when forms are provided by financial institutions they be in language that everybody can understand. That is simple. That is plain language. That is clear thinking and clear speaking. If the minister supports the principle she should be prepared to support the amendment and allow it to move forward. Once it has moved forward presumably the specifics of how it will be regulated can be dealt with at the regulatory stage.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed to the motion will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8), the recorded division on the motion stands deferred.

Mr. John R. Rodriguez (Nickel Belt) moved:

Motion No. 10

That Bill C-28 be amended by adding immediately after line 49 at page 272 the following new clause:

502. Notwithstanding anything in sections 495 to 501, no company may acquire or increase a substantial investment in

(a) a bank;

(b) a body corporate to which the Loan Companies Act or the Trust Companies Act applies; or

(c) a body corporate incorporated under the laws of a province if the activities of the body corporate are substantially similar to those of a body corporate described in paragraph (b).

He said: Mr. Speaker, this is the last opportunity to appeal to members regarding the concerns we are trying to express in this motion.

The concern we have is about the concentration of activity. In previous amendments on Bill C-4, Bill C-19 and Bill C-28, we raised our concerns about the concentration of ownership. We said that these bills, once they are enacted and are in force, will allow one of the greatest concentrations of financial activities that we have ever seen in the history of this country.

Therefore, we went back to the green paper and picked out a sliding scale of ownership that would to a large extent produce wide ownership for large financial institutions, including banks.

This motion arose from our concerns about the concentration of activity. Therefore, we put into this motion an amendment that will prevent insurance companies

from owning substantial parts of banks. It will prevent them from owning trust companies. Our view is very straightforward. We believe that when this country set up the pillar structure for financial institutions, it was a wise decision. We had banks doing things that were related to banking, and we put them under a bank act. We had trust and loans under a separate pillar, insurance companies under a separate pillar, co-operatives under a separate pillar and investment brokers under one. Of course, we lost that last pillar in 1987. That pillar has come down and with predictable accuracy. Anyone standing in this Chamber in 1987 could have predicted very accurately that these investment brokers would have ended up in the stables of financial institutions. That is exactly what has happened. They have ended up in those institutions.

Of course, to give the facade of separating the investment brokerage business from the banking business they put up what are called fire walls which, as Gerald Corrigan in the United States said, often become walls of fire.

Here we are in 1991. We have learned nothing whatsoever from the experience of the United States. We are collapsing the remaining pillars. We will still have a Bank Act, we will still have an Insurance Act, but that is all for show. All the synergies that can go on across the pillars will go on and eventually melt them down. I think that is the expression I have been using. You will see one of the greatest meltdowns in financial institutions in this Canada.

If insurance companies think they can survive as a small insurance company, they are sadly mistaken. When these bills are enacted this will be a game where only the large and powerful will survive, where it will be very difficult to regulate the large and the powerful. It will be a new horizon. It will be a new day for financial institutions.

We constantly heard from witnesses appearing before the Standing Committee on Finance about globalization. They said they wanted to be able to compete globally. When 60 per cent and 70 per cent of the profits of these large, global financial institutions start coming from outside Canada what will then be the encouragement for them to pay attention to what goes on at home? When all of their efforts to accrue their profits remain beyond the borders of Canada how well will they serve the consumers of Canada?

If you recall, I described the banks as lions. I described the insurance companies as mongooses. I described the trust and loan companies as cobras. I have said in this scenario that the mongoose will eat the cobras and then the lions will end up eating the mongoose. It is not insignificant that the Royal Bank of Canada has a lion as its symbol and it is holding the globe to its chest. That is exactly what is going to happen. One morning consumers will wake up and find that they do not have the competition in this country that brings about, we are told, lower prices for their products. We will find that there will be a concentration of power and there will be a concentration of activity.

• (1740)

In fact *The Economist* recently appealed very vividly in an article to the law makers in Ottawa to return to the wide ownership concept. I call on members to support this amendment. Let us get on with making sure these animals are back in the cage and that we get back to the pillar system of regulation.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, this amendment, Motion No. 10, put forth by the New Democratic Party would not allow an insurance company to own a trust company or a bank.

If we look at the present situation in Canada today, at least 20 insurance companies now either own a trust company or they are part of a conglomerate that owns a trust company. That is the present situation: at least 20 insurance companies now own a trust company or are part of a conglomerate that owns a trust company. Also, banks and trust companies can buy insurance companies. It is only fair that insurance companies should be able to own trusts or banks.

I think that is a very logical argument. It is straightforward. We will be voting against this amendment.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I too wish to put on record some comments and they will be short.

The amendment that we are proposing today is similar to the amendments that we had when dealing with the banks and when we were dealing with the trust companies as well.

Basically we feel uncomfortable in that we have seen the erosion of the pillars and now the total collapsing of

the pillars. I have been involved in this exercise on and off since the early eighties. The fundamental question I come back to is that it is our job as parliamentarians to be concerned about the public interest. We have to demand of the government introducing this resolution to show us that this is in the public interest.

It might be in the interest of the banks. It might be in the interest of the insurance companies. It might be in the interest of the trusts or whoever. In the end it is our job here to determine whether it is in the public interest. After all, when everything is said and done members of this House, this body, are the ones who have that responsibility. We are the only ones who have that responsibility.

Are we exercising that responsibility? There has been a lack of explanation in the House on the part of the minister. He has never indicated that he was introducing this legislation or this amendment and so forth because the public will benefit from it. He has never indicated how it is in the public interest. We have never had an explanation in terms of the public interest. We have had explanations in the following terms: they are doing it over here and that is why we have to do it this way as well. We have heard all those types of arguments but never the most fundamental one, that is: Is it in the public interest?

When I started out on the question of the reform of the financial institutions in the early eighties, I tried to come to an understanding of that in my own mind. I could see some of the arguments and reasons for collapsing the pillars and the conveniences at times, et cetera.

Still, I really wonder whether it is in the public interest to have the institutions that can conceivably grow out of this legislation be so strong and whether in the end the public, especially the Canadian public that has invested in these institutions, that have used these institutions and that have allowed these institutions to grow to the size they are now, will be best served with the passage of this legislation.

The government has failed to convince me and I suspect the government has failed to convince the Canadian public as well.

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 10. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr Paproski): Pursuant to Standing Order 76(8), a recorded division on the proposed motion stands deferred.

Hon. Kim Campbell (for the Minister of State (Finance)) moved:

Motion No. 10A.

That Bill C–28 be amended in Clause 542:

(*a*) by adding, immediately after line 26 on page 297, the following:

"(*d*) issuing annuities to its members and their spouses and children;

(e) if the society is permitted to insure risks falling within the class of life insurance, issuing policies to its members and their spouses and children, or accepting or retaining on the direction of a policyholder or beneficiary policy dividends or bonuses, or policy proceeds that are payable on the surrender or maturity of the policy or on the death of the person whose life is insured, where the liabilities of the society in respect of the policies or the amounts accepted or retained vary in amount depending on the market value of a fund consisting of a specified group of assets;";

(*b*) by relettering the subsequent paragraphs and any cross–references thereto accordingly;

(*c*) by striking out line 48 on page 298 and substituting the following:

"(6) A society that issues policies described in paragraph (1)(e) or accepts or retains amounts so described shall, in respect of those amounts, (*a*) maintain separate accounts; and (*b*) establish and maintain one or more funds consisting of assets that are segregated from the other assets of the society and that are specified as the assets on the market value of which the liabilities of the society in respect of those policies or amounts depend.

(7) For the purpose of establishing or maintaining a segregated fund required to be maintained by subsection (6), a society may, subject to the regulations, transfer an amount to the separate account maintained in respect of the segregated fund.

(8) A society may, with the approval of the Superintendent, return the current value of an amount transferred pursuant to subsection (7) to the account from which the amount was transferred.

(9) A claim against a segregated fund maintained pursuant to subsection (6) under a policy or for an amount in respect of which the fund is maintained has priority over any other claim against the assets of that fund, including the claims referred to in section 161 of the Winding-up Act.

(10) The liability of a society under a policy or for an amount in respect of which a segregated fund is maintained pursuant to subsection (6) (*a*) does not, except to the extent that the assets of the fund are insufficient to satisfy a claim for any minimum amount that the society agrees to pay under the policy or in respect of the amount, give rise to a claim against any assets of the society, other than the assets of that fund; but (*b*) to the extent that the assets of the fund are insufficient to satisfy such a claim, gives rise to a claim against the assets of the society, other than the assets of that fund, that has the priority referred to in subsection 161(2) of the Winding-up Act.

(11) In addition to the powers that a society may exercise pursuant to subsection (1), a society may hold and otherwise deal with real property.

(12) A society may".

Motion No. 10C.

That Bill C-28 be amended in Clause 554:

(*a*) by adding, immediately after line 10 on page 303, the following:

"(*a*) a company or other entity that is engaged in the insurance business;";

(*b*) by relettering the subsequent paragraphs and any cross-references thereto accordingly;

(*c*) by striking out line 29 on page 303 and substituting the following:

"pursuant to subsection (1) unless (*a*) in any case, the society";

(*d*) by striking out line 32 on page 303 and substituting the following:

"Superintendent; and (*b*) in the case of a body corporate that is a company or other entity that is engaged in the insurance business, the society controls the company or entity or would thereby acquire control of the company or entity.

(3) Notwithstanding paragraph (2)(*b*), a society need not control an entity incorporated or formed elsewhere than in Canada in which it has a substantial investment and which it would otherwise be required to control pursuant to that paragraph where the laws or customary business practices of the country under the laws of which the entity was incorporated or formed do not permit the society to control the entity.

(4) For the purposes of subsection (2), "control" means "control within the meaning of section 3, determined without regard to paragraph 3(1)(*d*)"."

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, these are technical amendments in a sense but they are rather long. They deal with friendly societies, giving the friendly societies the powers that we believe they ought to have. They are really the powers they had under the existing legislation.

Members of the finance committee will remember when we were putting this bill through that the friendly societies were not too organized in terms of their representation. After considerable discussion in the hearings before the Senate, it was felt that the bill had to be altered slightly to handle the business powers of friendly societies including their investments.

That is the reason for Motions Nos. 10A and 10C. I think they should pass without further debate.

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 10A. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion No. 10A agreed to.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 10C. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion No. 10C agreed to.

Hon. Kim Campbell (for the Minister of State (Finance)) moved:

Motion No. 13.

That Bill C-28 be amended in Clause 660 by striking out lines 27 to 30 on page 350 and substituting the following:

"(*a*) appoint the actuary of the provincial company forthwith after the Superintendent makes an order for the provincial company under section 657;

(*b*) appoint the auditor of the provincial company for the purposes of this Act forthwith after the Superintendent makes an order for the provincial company under section 657; and".

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this is a technical amendment with respect to the appointment of actuaries and an actuary conduct review committee. It is also really a technical amendment to clarify transitional provisions.

I would suggest that this motion pass through without any debate.

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 13. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion No. 13 agreed to.

Hon. Kim Campbell (for the Minister of State (Finance)) moved:

Motion No. 14.

That Bill C-28 be amended in Clause 715 by striking out line 18 on page 385 and substituting the following:

"(*c*) paragraph 593(*a*) of *An Act respecting*".

Motion No. 15.

That Bill C-28 be amended in Clause 716 by striking out line 6 on page 386 and substituting the following:

"(*c*) paragraph 593(*b*) of *An Act respecting*".

Motion No. 16.

That Bill C-28 be amended in Clause 719 by striking out line 21 on page 387 and substituting the following:

"(*c*) subsection 595(2) of *An Act respect-*".

Motion No. 17.

That Bill C-28 be amended in Clause 723 by striking out line 29 on page 391 and substituting the following:

"(*c*) subsection 596(1) of *An Act respect-*".

Motion No. 18.

That Bill C-28 be amended in Clause 723 by striking out line 26 on page 392 and substituting the following:

"(*c*) subsection 596(3) of *An Act respect-*".

Motion No. 19.

That Bill C-28 be amended in Clause 743 by striking out line 16 on page 401 and substituting the following:

"(*c*) subsection 602(1) of *An Act respect-*".

Motion No. 20.

That Bill C-28 be amended in Clause 749 by striking out line 12 on page 406 and substituting the following:

"section 451, 542 or 593 of the *Insurance Compa-*".

Motion No. 21.

That Bill C-28 be amended:

(*a*) by adding, immediately after line 12 on page 413, the following:

"Amendment to this Act if Bill C-34 is assented to

760. If, during the third session of the thirty-fourth Parliament, Bill C-34, entitled *An Act to revise and amend the law governing cooperative credit associations and to provide for related and consequential matters* is assented to, then, on the later of the coming into force of section 490 of this Act and section 1 of that Act, paragraph (*e*) of the definition "service corporation" in subsection 490(1) of this Act is repealed and the following substituted therefor:

(*e*) any other Canadian financial institution incorporated or formed by or under an Act of Parliament, or any central cooperative credit society to which the Superintendent has, by order under subsection 473(1) of the *Cooperative Credit Associations Act*, applied Part XVI of that Act, that has a substantial investment in the body corporate,";

(*b*) by renumbering the subsequent clauses and any cross-references thereto accordingly.

• (1750)

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 14. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion No. 14 agreed to.

Mr. Blenkarn: Mr. Speaker, I rise on a point of order. If you inquired I think you might find unanimous consent to move the following motion. I move:

That Clause 529 of Bill C-28 be amended by striking out lines 1 and 2 on page 291 and substituting the following:

"twice the annual salary of the related party and $100,000".

This motion is an amendment that makes this bill the same as the other two bills. Therefore I think you will receive unanimous consent, Mr. Speaker.

Mr. Rodriguez: I have just one comment to make, Mr. Speaker. Fulfilling the commitment we have made to all parties in the committee, we would do this for the trust and loan companies as well and all other groups.

Mr. Blenkarn: Mr. Speaker, the hon. member for Nickel Belt has another matter to put before the House.

Mr. Rodriguez: Mr. Speaker, I think if you seek the unanimous consent of the House you will find that there is consent for the introduction of the following motion:

That Clause 143 of Bill C-28 be amended by striking out lines 11 to 23 on page 81 and substituting the following:

Publication in newspaper.

(3) In addition to the notice required under subsection (1),

(a) where any class of shares of a company is publicly traded on a recognized stock exchange in Canada, notice of the time and place of the meeting of shareholders shall be published once a week for at least four consecutive weeks before the date of the meeting in a newspaper in the place where the head office of the company is situated and in each place in Canada where the company has a transfer agent or where a transfer of the company's shares may be recorded; or

b) where the company is a mutual company, notice of the time and place of the meeting of policyholders of the company, together with information on the means by which any policyholder can receive the notice referred to in that subsection, shall be published once a week for at least four consecutive weeks before the date of the meeting in a newspaper in the place where the head office of the company is situated and in each region of Canada in which more than 1 per cent of the total number of policyholders entitled to vote at the meeting reside.

The Acting Speaker (Mr. Paproski): Before I deal with the motion of the hon. member for Nickel Belt, I am going to deal with the motion moved by the hon. member for Mississauga South.

Is there unanimous consent for the member to move the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion (Mr. Blenkarn) agreed to.

The Acting Speaker (Mr. Paproski): Is there unanimous consent for the hon. member for Nickel Belt to move his motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Motion (Mr. Rodriguez) agreed to.

[*Translation*]

The Acting Speaker (Mr. Paproski): The House will now proceed to the taking of the deferred divisions on the report stage of the bill now before the House.

[*English*]

Mr. Hawkes: Mr. Speaker, I rise on a point of order. There have been discussions all day long among the three parties. I think you might find unanimous consent to suspend the ringing of the bells at this point to move on to Bill C-34, I believe it is. Upon the conclusion of Bill C-34, and if the point comes where we need to vote, there would be a 15-minute bell and we would then vote on all of the necessary motions related to Bill C-28 as well as on any that might arise in terms of Bill C-34 at report stage.

Mr. Rodriguez: Mr. Speaker, we have no problem with that at all. I think now that we are on a roll we might as well see it through.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered.

* * *

CO-OPERATIVE CREDIT ASSOCIATIONS ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-34, an act to revise and amend the law governing co-operative credit associations and to provide for related and consequential matters, as reported (with amendments) from the Standing Committee on Finance.

SPEAKER'S RULING

The Acting Speaker (Mr. Paproski): There are six report stage motions set out on the Notice Paper for report stage on Bill C-34, an act to revise and amend the law governing co-operative credit associations and to provide for related and consequential matters.

Motions Nos. 1 and 3 in the name of the hon. Minister of State for Finance are in order and will be grouped for debate. The vote on Motion No. 1 will apply to Motion No. 3.

Motions Nos. 2 and 5 in the name of the hon. Minister of State for Finance are technical in nature. They will be grouped for debate, and a vote on Motion No. 2 will apply to Motion No. 5.

Motions Nos. 4 and 6 in the name of the hon. member for Malpeque and the hon. Minister of State for Finance are in order and will be debated and voted on separately.

I will now propose Motions Nos. 1 and 3 to the House.

MEASURE TO AMEND

Hon. Elmer M. MacKay (for the Minister of State (Finance)) moved:

Motion No. 1

That Bill C-34 be amended in Clause 292 by striking out line 35 on page 144 and substituting the following:

"accounting principles, the primary source of which is the Handbook of the Canadian Institute of Chartered Accountants."

Motion No. 3

That Bill C-34 be amended in Clause 307 by striking out line 47 on page 151 and substituting the following:

"auditing standards, the primary source of which is the Handbook of the Canadian Institute of Chartered Accountants."

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the first two amendments involve the clarification of the standard of care required in the CICA Handbook. It is similar to amendments we have moved before and accepted without debate.

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion No. 1 agreed to.

Hon. Elmer M. MacKay (for the Minister of State for (Finance)) moved:

Motion No. 2

Bill C-34 be amended in the French version of Clause 299 by striking out lines 39 and 40 on page 147 and substituting the following:

"des actions de l'association, d'une centrale membre de celle-ci ou d'une filiale de l'association,".

Motion No. 5

That Bill C-34 be amended in the French version of Clause 474 by striking out lines 19 and 20 on page 241 and substituting the following:

"(2)a)(v) et, pour l'application de ce dernier sousalinéa, du paragraphe 444(3). A ces fins et".

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, these are technical amendments involving the French version only. They are designed to make sure that the bill reads the same in French and English and should pass without debate.

• (1800)

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 2. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): If it is agreed on Motion No. 2, it is also agreed on Motion No. 5.

Motion No. 2 agreed to.

Ms. Catherine Callbeck (Malpeque) moved:

Motion No. 4

That Bill C-34 be amended in Clause 308 by adding immediately after line 29 at page 152 the following:

"(3) A person who in good faith makes an oral or written communication under subsections (1) or (2) shall not be liable in any civil action arising therefrom."

She said: Mr. Speaker, I am pleased to move this amendment today. It is one that is similar to the one I moved on the Bank Act, the Trust and Loan Companies Act and the Insurance Act. I am pleased that it has been accepted by the House on those three bills so I am hopeful that members will agree to it for the co-operatives.

I feel it is important because it will provide for a free flow of information to auditors so they can conduct a thorough audit.

What it does is prevent a lawsuit against anyone who gives information to an auditor or an actuary. I think it will make for better statements and auditors can do a more thorough review because there will be all kinds of information coming forth that will be very helpful in this regard. It will also point out problems that may be small problems right now but could become very large problems and eventually cause bankruptcy.

Because of those reasons and the ones that I put on the record for the Bank Act, the Trust and Loan Companies Act and the Insurance Act, I have moved this amendment and I am hopeful that the House will accept it.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the government is prepared to accept the amendment with one exception of amending wording.

I would like therefore to file an amendment to the motion. I believe the amendment will be accepted by my friend from Malpeque as it has in every other bill we passed with the same amendment. It only ties down in more precise language the exemption from liability. I expect it will be accepted unanimously.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, we accept the amendment. We accepted it as it applied to the other bills as well.

The Acting Speaker (Mr. Paproski): The question is on the amendment of the hon. member for Mississauga South. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Amendment (Mr. Blenkarn) agreed to.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 4, as amended. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion No. 4, as amended, agreed to.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved:

Motion No. 6

That Bill C-34 be amended in Clause 475 by striking out lines 16 and 17 on page 242 and substituting the following:

"tral to

(a) an association of which the central is a member; or

(b) a deposit protection agency, or the government of the province in which the central is incorporated, if the agency or government is designated by the Minister."

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this is an amendment that will assist provincial centrals by allowing them to create certain security arrangements subject to the approval of the minister. It makes the operation of a deposit protection agency that is usually a provincially incorporated deposit protection agency able to take security as well. It is the kind of thing that we think is necessary to make this bill work effectively.

I think the amendment ought to pass without any further discussion.

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 6. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion No. 6 agreed to.

The Acting Speaker (Mr. Paproski): The House will now proceed to the taking of the deferred divisions.

Call in the members.

• (1820)

And the division bells having rung:

The Acting Speaker (Mr. Paproski): Before the Chair takes the votes on Bill C-28, the Chair got so excited because there was such co-operation it forgot to put the concurrence motion.

Hon. Elmer M. MacKay (for the Minister of State (Finance)) moved that the bill be concurred in.

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

Some hon. members: Agreed.

An hon. member: On division.

Motion agreed to.

* * *

INSURANCE COMPANIES ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-28, an act respecting insurance companies and fraternal benefit societies, as reported (with amendments) from the Standing Committee on Finance.

The Acting Speaker (Mr. Paproski): The first question is on Motion No. 1.

The House divided on Motion No. 1, which was negatived on the following division:

(Division No. 78)

YEAS

Members

Angus
Blaikie
Brewin
Fulton
Heap
Hunter
Kristiansen
Murphy
Robinson
Stupich
Whittaker
Benjamin
Breaugh
de Jong
Harvey (Edmonton East)
Hovdebo
Karpoff
MacWilliam
Riis
Rodriguez
Taylor
Young (Beaches—Woodbine)—22

NAYS

Members

Allmand
Andre
Atkinson
Beatty
Bertrand
Bird
Blackburn (Jonquière)
Bouchard (Roberval)
Bourgault
Brightwell
Cadieux
Campbell (Vancouver Centre)
Chadwick
Charest
Clancy
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Côté
Crawford
Darling
Della Noce
Domm
Duhamel
Edwards
Fee
Ferland
Flis
Friesen
Gauthier
Grey (Beaver River)
Guilbault
Halliday
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
Jacques
Jelinek
Koury
Layton
Lee
Littlechild
MacAulay
MacKay
MacLellan
Malone
Marchi
Marleau
Mayer
McDougall (St. Paul's)
Anawak
Arseneault
Attewell
Belsher
Bevilacqua
Bjornson
Blenkarn
Boudria
Boyer
Browes
Callbeck
Cardiff
Champagne (Champlain)
Chartrand
Clark (Yellowhead)
Clifford
Collins
Cooper
Corbett
Couture
Danis
de Cotret
Dingwall
Dorin
Duplessis
Epp
Feltham
Finestone
Fretz
Gagliano
Gray (Bonaventure—Îles-de-la-Madeleine)
Guarnieri
Gustafson
Harvard
Hawkes
Hogue
Horner
Hughes
James
Kindy
Larrivée
LeBlanc (Cape Breton Highlands—Canso)
Lewis
Loiselle
MacDonald (Rosedale)
MacLaren
Maheu
Manley
Marin
Martin (Lincoln)
McCreath
McGuire
McLean
Moore
Nicholson
Oberle
Peterson
Porter
Proud
Redway
Ricard
Robitaille
Schneider
Scott (Hamilton—Wentworth)
Siddon
Soetens
Speller
Stewart
Tétreault
Thorkelson
Valcourt
Van De Walle
Vézina
Vincent
Wappel
Wenman
Wilbee
Assiniboia)
Wood
Monteith
Nault
Nunziata
Parent
Phinney
Pronovost
Prud'homme
Reimer
Richardson
Saint-Julien
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Stevenson
Tardif
Thompson
Tremblay (Québec-Est)
Vanclief
Vankoughnet
Vien
Walker
Weiner
White
Wilson (Swift Current—Maple Creek—
Winegard
Worthy—157

.PAIRED MEMBERS

nil/aucun

[*Translation*]

• (1830)

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Mr. Gagliano: Mr. Speaker, I believe you will find there is unanimous consent for applying the result of the vote that was just taken to Motions Nos. 6, 3, 36 and 10.

Regarding Motion No. 9, if there is unanimous consent, the same vote could be applied, except that the Liberal caucus would vote in favour.

The Acting Speaker (Mr. Paproski): Does the House give its unanimous consent?

Some hon. members: No.

The Acting Speaker (Mr. Paproski): The hon. member for Calgary Northeast, on a point of order.

Mr. Kindy: There is no unanimous consent, Mr. Speaker.

[*English*]

Mr. Angus: Mr. Speaker, perhaps the hon. member might want to reconsider if his name can be recorded in the appropriate fashion for the particular motions that he wishes to vote differently on, rather than have us all

go through the process time after time so that we can get on with our business.

The Acting Speaker (Mr. Paproski): Does the hon. member give unanimous consent?

Mr. Kindy: No.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 6. A vote on Motion No. 6 also applies to Motion No. 7.

The House divided on Motion No. 6, which was negatived on the following division:

(*Division No. 79*)

YEAS

Members

Angus	Benjamin
Blaikie	Breaugh
Brewin	de Jong
Fulton	Harvey (Edmonton East)
Heap	Hovdebo
Hunter	Karpoff
Kindy	Kristiansen
MacWilliam	Murphy
Riis	Robinson
Rodriguez	Stupich
Taylor	Whittaker
Young (Beaches—Woodbine)—23	

NAYS

Members

Allmand	Anawak
Andre	Arseneault
Attewell	Beatty
Bertrand	Bevilacqua
Blackburn (Jonquière)	Blenkarn
Boudria	Brightwell
Browes	Callbeck
Campbell (Vancouver Centre)	Charest
Chartrand	Clancy
Clark (Yellowhead)	Clifford
Collins	Cooper
Corbett	Couture
Crawford	Danis
Darling	de Cotret
Della Noce	Dingwall
Duhamel	Epp
Fee	Flis
Fretz	Friesen
Gagliano	Gauthier
Grey (Beaver River)	Guarnieri
Halliday	Harvard
Hawkes	Jelinek
Lewis	Loiselle
MacDonald (Rosedale)	MacKay
MacLaren	Maheu
Malone	Manley
Marchi	Marleau
Martin (Lincoln)	Mayer
McDougall (St. Paul's)	McLean
Nault	Nunziata
Oberle	Parent
Peterson	Phinney
Proud	Prud'homme
Redway	Reimer
Saint-Julien	Scott (Hamilton—Wentworth)
Siddon	Sparrow
Speller	Stewart
Valcourt	Vanclief
Vankoughnet	Vézina
Walker	Weiner
Wenman	Winegard—82

.PAIRED MEMBERS

nil/aucun

The Acting Speaker (Mr. Paproski): I declare Motion No. 6 lost. Therefore Motion No. 7 is lost.

Before the taking of any more votes, I would like to say that members should not be walking in and out of the Chamber. If anyone wants to leave now before the next vote is taken, then he or she should leave the Chamber. Otherwise it is very difficult for the officers at the table to take a proper vote.

The next question is on Motion No. 3.

• (1840)

Mr. Angus: Mr. Speaker, I wonder if we could try once again to see if there is unanimous consent to apply the votes as outlined by the Whip of the Official Opposition.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some hon. members: Agreed.

The House divided on Motion No. 3, which was negatived on the following division:

(*Division No. 80*)

YEAS

Members

Angus	Benjamin
Blaikie	Breaugh
Brewin	de Jong
Fulton	Harvey (Edmonton East)
Heap	Hovdebo
Hunter	Karpoff
Kristiansen	MacWilliam
Murphy	Riis
Robinson	Rodriguez
Stupich	Taylor
Whittaker	Young (Beaches—Woodbine)—22

NAYS

Members

Allmand	Anawak
Andre	Arseneault
Atkinson	Attewell
Beatty	Belsher
Bertrand	Bevilacqua
Bird	Bjornson
Blackburn (Jonquière)	Blenkarn
Bouchard (Roberval)	Boudria
Bourgault	Boyer
Brightwell	Browes

Cadieux
Campbell (Vancouver Centre)
Chadwick
Charest
Clancy
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Côté
Crawford
Darling
Della Noce
Domm
Duhamel
Edwards
Fee
Ferland
Flis
Friesen
Gauthier
Grey (Beaver River)
Guilbault
Halliday
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
Jacques
Jelinek
Koury
Layton
Lee
Littlechild
MacAulay
MacKay
MacLellan
Malone
Marchi
Marleau
Mayer
McDougall (St. Paul's)
McLean
Moore
Nicholson
Oberle
Peterson
Porter
Proud
Redway
Ricard
Robitaille
Schneider
Scott (Hamilton—Wentworth)
Siddon
Soetens
Speller
Stewart
Tétreault
Thorkelson
Valcourt
Van De Walle
Vézina
Vincent
Wappel
Wenman
Wilbee
Assiniboia)
Wood

Callbeck
Cardiff
Champagne (Champlain)
Chartrand
Clark (Yellowhead)
Clifford
Collins
Cooper
Corbett
Couture
Danis
de Cotret
Dingwall
Dorin
Duplessis
Epp
Feltham
Finestone
Fretz
Gagliano
Gray (Bonaventure—Îles-de-la-Madeleine)
Guarnieri
Gustafson
Harvard
Hawkes
Hogue
Horner
Hughes
James
Kindy
Larrivée
LeBlanc (Cape Breton Highlands—Canso)
Lewis
Loiselle
MacDonald (Rosedale)
MacLaren
Maheu
Manley
Marin
Martin (Lincoln)
McCreath
McGuire
Monteith
Nault
Nunziata
Parent
Phinney
Pronovost
Prud'homme
Reimer
Richardson
Saint-Julien
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Stevenson
Tardif
Thompson
Tremblay (Québec-Est)
Vanclief
Vankoughnet
Vien
Walker
Weiner
White
Wilson (Swift Current—Maple Creek—
Winegard
Worthy—157

.PAIRED MEMBERS

nil/aucun

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next question is on Motion No. 3G. The vote on Motion No. 3G applies to Motion No. 11C.

The House divided on Motion No. 3G, which was negatived on the following division:

(Division No. 81)

YEAS

Members

Angus
Blaikie
Brewin
Fulton
Heap
Hunter
Kristiansen
Murphy
Robinson
Stupich
Whittaker

Benjamin
Breaugh
de Jong
Harvey (Edmonton East)
Hovdebo
Karpoff
MacWilliam
Riis
Rodriguez
Taylor
Young (Beaches—Woodbine)—22

NAYS

Members

Allmand
Andre
Atkinson
Beatty
Bertrand
Bird
Blackburn (Jonquière)
Bouchard (Roberval)
Bourgault
Brightwell
Cadieux
Campbell (Vancouver Centre)
Chadwick
Charest
Clancy
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Côté
Crawford
Darling
Della Noce
Domm
Duhamel
Edwards
Fee
Ferland
Flis
Friesen
Gauthier
Grey (Beaver River)
Guilbault
Halliday
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
Jacques
Jelinek
Koury
Layton
Lee
Littlechild
MacAulay

Anawak
Arseneault
Attewell
Belsher
Bevilacqua
Bjornson
Blenkarn
Boudria
Boyer
Browes
Callbeck
Cardiff
Champagne (Champlain)
Chartrand
Clark (Yellowhead)
Clifford
Collins
Cooper
Corbett
Couture
Danis
de Cotret
Dingwall
Dorin
Duplessis
Epp
Feltham
Finestone
Fretz
Gagliano
Gray (Bonaventure—Îles-de-la-Madeleine)
Guarnieri
Gustafson
Harvard
Hawkes
Hogue
Horner
Hughes
James
Kindy
Larrivée
LeBlanc (Cape Breton Highlands—Canso)
Lewis
Loiselle
MacDonald (Rosedale)

MacKay
MacLellan
Malone
Marchi
Marleau
Mayer
McDougall (St. Paul's)
McLean
Moore
Nicholson
Oberle
Peterson
Porter
Proud
Redway
Ricard
Robitaille
Schneider
Scott (Hamilton—Wentworth)
Siddon
Soetens
Speller
Stewart
Tétreault
Thorkelson
Valcourt
Van De Walle
Vézina
Vincent
Wappel
Wenman
Wilbee
Assiniboia)
Wood
MacLaren
Maheu
Manley
Marin
Martin (Lincoln)
McCreath
McGuire
Monteith
Nault
Nunziata
Parent
Phinney
Pronovost
Prud'homme
Reimer
Richardson
Saint-Julien
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Stevenson
Tardif
Thompson
Tremblay (Québec-Est)
Vanclief
Vankoughnet
Vien
Walker
Weiner
White
Wilson (Swift Current—Maple Creek—
Winegard
Worthy—157

PAIRED—MEMBERS

Members

nil/aucun

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next question is on Motion No. 10.

The House divided on Motion No. 10, which was negatived on the following division:

(Division No. 82)

YEAS

Members

Angus
Blaikie
Brewin
Fulton
Heap
Hunter
Kristiansen
Murphy
Robinson
Stupich
Whittaker
Benjamin
Breaugh
de Jong
Harvey (Edmonton East)
Hovdebo
Karpoff
MacWilliam
Riis
Rodriguez
Taylor
Young (Beaches—Woodbine)—22

NAYS

Members

Allmand
Andre
Atkinson
Beatty
Bertrand
Anawak
Arseneault
Attewell
Belsher
Bevilacqua
Bird
Blackburn (Jonquière)
Bouchard (Roberval)
Bourgault
Brightwell
Cadieux
Campbell (Vancouver Centre)
Chadwick
Charest
Clancy
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Côté
Crawford
Darling
Della Noce
Domm
Duhamel
Edwards
Fee
Ferland
Flis
Friesen
Gauthier
Grey (Beaver River)
Guilbault
Halliday
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
Jacques
Jelinek
Koury
Layton
Lee
Littlechild
MacAulay
MacKay
MacLellan
Malone
Marchi
Marleau
Mayer
McDougall (St. Paul's)
McLean
Moore
Nicholson
Oberle
Peterson
Porter
Proud
Redway
Ricard
Robitaille
Schneider
Scott (Hamilton—Wentworth)
Siddon
Soetens
Speller
Stewart
Tétreault
Thorkelson
Valcourt
Van De Walle
Vézina
Vincent
Wappel
Wenman
Wilbee
Assiniboia)
Wood
Bjornson
Blenkarn
Boudria
Boyer
Browes
Callbeck
Cardiff
Champagne (Champlain)
Chartrand
Clark (Yellowhead)
Clifford
Collins
Cooper
Corbett
Couture
Danis
de Cotret
Dingwall
Dorin
Duplessis
Epp
Feltham
Finestone
Fretz
Gagliano
Gray (Bonaventure—Îles-de-la-Madeleine)
Guarnieri
Gustafson
Harvard
Hawkes
Hogue
Horner
Hughes
James
Kindy
Larrivée
LeBlanc (Cape Breton Highlands—Canso)
Lewis
Loiselle
MacDonald (Rosedale)
MacLaren
Maheu
Manley
Marin
Martin (Lincoln)
McCreath
McGuire
Monteith
Nault
Nunziata
Parent
Phinney
Pronovost
Prud'homme
Reimer
Richardson
Saint-Julien
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Stevenson
Tardif
Thompson
Tremblay (Québec-Est)
Vanclief
Vankoughnet
Vien
Walker
Weiner
White
Wilson (Swift Current—Maple Creek—
Winegard
Worthy—157

PAIRED—MEMBERS

Members

nil/aucun

The Acting Speaker (Mr. Paproski): I declare the motion lost. The next question is on Motion No. 9.

The House divided on Motion No. 9, which was negatived on the following division:

(Division No. 83)

YEAS

Members

Anawak
Bevilacqua
Crawford
Duhamel
Gagliano
Grey (Beaver River)
Harvard
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan
Manley
Marleau
Nault
Parent
Phinney
Prud'homme
Stewart
Walker
Wood—37

Arseneault
Callbeck
Dingwall
Flis
Gauthier
Guarnieri
Kindy
Lee
MacLaren
Maheu
Marchi
McGuire
Nunziata
Peterson
Proud
Speller
Vanclief
Wappel

NAYS

Members

Andre
Attewell
Belsher
Bjornson
Blenkarn
Boyer
Browes
Cardiff
Champagne (Champlain)
Chartrand
Clifford
Collins
Corbett
Couture
Darling
Della Noce
Dorin
Edwards
Fee
Ferland
Friesen
Guilbault
Halliday
Hawkes
Horner
Hughes
James
Koury
Layton
Littlechild
MacDonald (Rosedale)
Malone
Mayer
McDougall (St. Paul's)
Monteith
Nicholson
Porter
Redway
Ricard
Robitaille

Atkinson
Beatty
Bertrand
Blackburn (Jonquière)
Bourgault
Brightwell
Campbell (Vancouver Centre)
Chadwick
Charest
Clark (Brandon—Souris)
Cole
Cooper
Côté
Danis
de Cotret
Domm
Duplessis
Epp
Feltham
Fretz
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Harvey (Chicoutimi)
Hicks
Horning
Jacques
Jelinek
Larrivée
Lewis
Loiselle
MacKay
Marin
McCreath
McLean
Moore
Oberle
Pronovost
Reimer
Richardson
Saint-Julien

Schneider
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thorkelson
Tremblay (Lotbinière)
Van De Walle
Vézina
Vincent
Wenman
Wilbee
Worthy—107

Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Tardif
Thompson
Tremblay (Québec-Est)
Valcourt
Vankoughnet
Vien
Weiner
White
Winegard

.PAIRED MEMBERS

nil/aucun

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Mr. Riis: Mr. Speaker, I rise on a point of order. I must have been asleep at the switch. Had I stood when I should have on behalf of my caucus, we would have voted in favour of the amendment. However, I blew it.

The Acting Speaker (Mr. Paproski): We all get caught that way once occasionally.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved that the bill, as amended, be concurred in.

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

Some hon. members: Agreed.

An hon. member: On division.

Motion agreed to.

The Acting Speaker (Mr. Paproski): Pursuant to special order made Tuesday, November 26, the House will now proceed to the consideration of third reading of Bill C–4, an act to revise and amend the law governing federal trust and loan companies and to provide for related and consequential matters, together with Bills C–19, C–28 and C–34 respecting financial institutions.

* * *

TRUST AND LOAN COMPANIES ACT

MEASURE TO ENACT

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved that Bill C–4, an act to revise and amend the law governing federal trust and loan companies and to provide for related and consequential matters, be read the third time and passed.

BANK ACT

MEASURE TO ENACT

Hon. Gilles Loiselle (for the Minister of Finance) moved that Bill C–19, an act respecting banks and banking, be read the third time and passed.

* * *

INSURANCE COMPANIES ACT

MEASURE TO ENACT

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved that Bill C–28, an act respecting insurance companies and fraternal benefit societies, be read the third time and passed.

CO–OPERATIVE CREDIT ASSOCIATIONS ACT

MEASURE TO AMEND

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved that Bill C–34, an act to revise and amend the law governing co–operative credit associations and to provide for related and consequential matters, be read the third time and passed.

Mr. Cooper: Mr. Speaker, I rise on a point of order. There have been some discussions. I was under the impression that what we would do this evening is we would allow the minister to complete his remarks at third reading and then call it a day. He was not standing because I was rising on a point of order.

I just wonder if we could put that to the House. I understand the minister's remarks are around 15 minutes, and perhaps we could agree not to see the clock at 7 p.m. to allow him to just go over a couple of minutes if it is necessary to complete his remarks.

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

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): Then I will recognize the hon. Minister of State for Finance.

Mr. Loiselle: Mr. Speaker, I rise to speak on what I consider to be an important occasion. Today marks the end of a long and sometimes tortuous journey that began some six years ago. That journey has led us to the legislation that is before us today. This legislation marks a major work of reform, the reform of the legislation governing Canada's financial institutions.

• (1850)

The Acting Speaker (Mr. Paproski): Order, please. The Minister of State for Finance is making some very important statements. I would appreciate it if those who do not want to listen to the debate in the Chamber would go behind the curtain, please.

[*Translation*]

Mr. Loiselle: Mr. Speaker, first of all I want to say that I am very much aware of the contribution made by former ministers and the finance committee, both in this House and in the other place, and I am very grateful to them. In particular, I want to thank the other House for its pre–study of the legislation. I also want to pay tribute to the efforts of very many individuals and groups, from both the industries concerned and the public at large.

[*English*]

This final stage of financial institutions reform includes four bills. The first of these is Bill C–4 which applies the principles of reform to the federally chartered trust and loans company. The other three bills are Bill C–19 which applies these principles to chartered banks, Bill C–28 which applies them to federally chartered insurance companies, and Bill C–34 which applies them to federally regulated co–operative credit societies.

In each case, the basic approach taken in the bill is the same. There are differences between the bills, however, because each applies the underlying principles of the reform to a different type of institution.

Bill C–4, the Trust and Loan Companies Act, or Bill C–83 as it was known during the previous session of Parliament, is particularly important because it serves in many respects as a model for the other new statutes.

Bill C–19 which applies to the chartered banks will, in conjunction with Bill C–4, ensure that banks and trust and loan companies will be restricted from retailing most insurance products in their branches. This ensures that insurance will continue to be sold by qualified licensed insurance brokers and agents working independently of any deposit taking institutions.

Our general approach to the question of ownership of financial institutions has been to allow for a mixed ownership regime. We have maintained the principle of wide ownership for Schedule I banks including the six largest Canadian banks. This ensures that no one person or group of associated persons can own more than 10 per cent of any class of Schedule I bank shares.

Narrow ownership is permitted for trust, loan and stock insurance companies, although large companies will be required to ensure that at least 35 per cent of their shares are widely held and publicly traded within five years.

[*Translation*]

Bill C–28 affects insurance companies. Some of the reform is intended specifically to meet the needs of this type of institution. Insurance companies will be given broader powers so that they can make consumer and business loans.

Furthermore, this bill recognizes the important place held by mutual companies in the financial system. They will be given new powers to obtain capital by issuing debt instruments and preferred shares.

[*English*]

Finally the legislation recognizes the position of participating policyholders and establishes new rules for communicating with them and seeking their approval for decisions taken at company meetings.

Bill C–34 applies the general principles to a fourth part of the sector, the federally regulated co–operative credit associations. To an even greater extent than the other parts of the sector, some of these institutions operate under shared jurisdiction with the provinces. Currently one federal association is governed by the act, while six registered centrals are governed by both the federal act and legislation of their province. Local credit unions, however, continue to be incorporated provincially and are governed solely by provincial legislation.

This legislation grants associations the power to provide a range of services to their members that is comparable to that which may be provided under the other bills.

The new legislation also permits associations to provide services in the fulfilment of the trade association function which they serve with respect to other co–operative institutions.

In adapting the investment rules set out in Bill C–4 to federally regulated co–operative financial institutions, this legislation takes into account the import liquidity function served by these associations.

Finally, this bill will increase the access of federal associations to capital by permitting them to issue preferred shares to non–members. These shares will be restricted from carrying full voting rights, however, to ensure that control of associations remain within the co–operative system.

All the pieces of legislation I have mentioned have benefited from the open, intelligent and co–operative committee forces they have gone through, both in this House and in the other place.

I believe, and hope all will agree, that the government has been receptive to the suggestions made and the concerns raised. The record can speak for itself. A total of 172 amendments to C–83, the precursor of C–4, were made in the previous session of Parliament.

Bill C–19 was improved by 70 amendments, Bill C–28 by 141 and Bill C–34 by 62 amendments at committee stage. Further changes have been introduced to reflect the findings of the prestudy in the other place. In fact, 11 of the government's amendments introduced at report stage were the result of prestudy in the other place.

I am greatly pleased by this evidence of how well the system can work when people with positive and constructive attitudes buckle down and make it work. Yet, despite all these changes the basic policy thrust and principles behind the reforms have remained unchanged. They remain unchanged because of the overwhelming support they received from participants in the committee process.

[*Translation*]

The goals of the reform are clear and accessible: to better protect depositors and buyers of insurance; to benefit consumers by increasing competition and widening the array of services provided by financial institutions; to increase the capacity of our financial institutions

to compete at home and abroad; to enter into discussions with the provinces concerning harmonization since powers related to financial institutions are shared. These goals are important, Mr. Speaker, and I am glad that we have been able to express them in the legislations and regulations.

[*English*]

I know that members of the House are familiar with the general outline of the proposals. We have already dealt with them in our earlier debates. Nevertheless, I do want to speak specifically about certain issues.

The first is the issue of self-dealing. Tougher rules will be implemented. The self-policing role of directors and auditors will be made more effective through mandated roles and responsibilities. The Superintendent of Financial Institutions will have increased powers to require information that will enable problems to be anticipated. The superintendent is, therefore, being given new access to needed information which has not previously been available.

Second, consumers will find shopping for financial services more convenient and will benefit from a wider choice of financial products since banks, trusts and loan companies and insurance companies will be allowed to compete more directly with each other. By opening new avenues of growth for our financial institutions, the new provisions will strengthen the ability of these institutions to meet the new challenges that have evolved in the global marketplace.

[*Translation*]

Financial institutions will be able to diversify by owning institutions whose operations are concentrated in other sectors of the industry. Banks, for instance, will be able to acquire trust and loan companies and insurance companies will be able to own other financial institutions. Because of their wide ownership, mutual insurance associations will be able to own chartered banks. Important changes in the ownership structure of financial institutions will be submitted to the approval of the minister of Finance, who will determine if these changes best serve the interests of the Canadian financial system.

[*English*]

Together these proposals set out a framework for fair competition that will allow all institutions to have good opportunities for participation in a broad range of financial sector activities.

• (1900)

These bills and their regulations cover a very wide spectrum of changes because of the size and importance of the financial sector and the wide range of institutions in the situation which have to be covered.

After all, looking at the sector as a whole, there are more than 3,000 Canadian financial institutions with assets of some $900 million. Of the 25 largest institutions with total assets of $760 billion, 23 are chartered and regulated federally. It is not just the sheer size of the sector which is of importance. We must not forget that the health of these institutions is a key to the vitality and strength of our economy as well as our security as savers and investors.

The activities of these institutions affect our mortgages and our purchases of goods and services. The financial sector shelters and invests savings, and makes available investments needed for new and expanding industries.

I believe that these institutions will operate more effectively and competitively, and will meet the needs of Canadians more efficiently as a result of the reforms we have put forward.

We have recognized the importance of financial institutions in developing a legitimate and regulatory approach that protects the public while encouraging and not inhibiting innovation and competition. We have done this while also recognizing the competing interests within the financial community itself.

While we have sought as wide an agreement as possible, not all interests could be completely reconciled. In such cases, we have looked to find a reasonable balance.

[*Translation*]

Mr. Speaker, I will conclude my comments by saying once more that the thrust of our proposals is to strike a fair balance which meets individual, federal, provincial and commercial criteria as well as being a measure of prudence.

Those proposals reflect also the public interest. They reinforce and give the financial institutions the opportunity to progress and thrive while contributing to the strength of the Canadian economy.

Mr. Speaker, I want to thank members of Parliament who worked with the government to allow the speedy passage of those bills which constitute this important legislative agenda.

The Acting Speaker (Mr. Paproski): It being 7 p.m., pursuant to Standing Order 30(6) the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CANADA POST CORPORATION ACT

MEASURE TO AMEND

Mr. Bob Speller (Haldimand—Norfolk) moved that Bill C-250, an act to amend the Canada Post Corporation Act, be read the second time and referred to Legislative Committee H.

He said: Mr. Speaker, today I would like to bring the attention of the House to an inherent part of rural Canadian infrastructure, namely, the mail delivery by rural route carriers.

The purpose of my bill before the House today is to make clear the injustices that presently persist against rural route carriers. As a private member, I have done all that I can in a legislative sense for these workers.

Therefore, it is my hope that the minister responsible for Canada Post will take the concerns of rural mail carriers of Canada seriously, act quickly to end the injustices that this House will discuss this evening in the Canada Post Act, and help these workers who are now facing these injustices.

As you know, I am from a rural part of the country. There are a number of rural members in this House today. I would call on these rural members after this debate is over to have a talk with their rural carriers to let them know where they stood on this issue in the House.

As the spokesperson for rural Canada within my party, a person in charge of a rural caucus, I want to say that in discussing with my colleagues here on this side of the House and looking at this issue, we have felt very strongly that mail rural carriers in rural Canada are not treated fairly.

Rural carriers provide service to 1.2 million rural and many times isolated households in Canada. Like their city counterparts, the rural route carrier sorts and delivers mail. The difference between the two is that the city mail carrier, an employee of Canada Post, enjoys employee benefits.

The rural carrier is denied the most basic rights of any worker in Canada. Benefits such as sick leave, unemployment insurance, maternity leave and even bereavement leave are denied.

They are denied the protection of the Canada Labour Code. So many Canadians have the opportunity to have protection under this code while the workers of rural Canada, mail delivery workers, are denied this basic right. They are denied workers' compensation. They are denied the opportunity to fall under the Employment Safety Standards Act and they are denied unemployment insurance.

In 1985 a group was formed. It called itself "rural route mail carriers of Canada". It attempted to obtain working conditions for these letter carriers. More importantly, it was organized to develop lines of communication with Canada Post. As we have seen in recent Canada Post labour disputes they are sometimes difficult to open up. I assure you that an attempt was made by these rural carriers to open up lines of communication so that Canada Post could find out for itself the situation these letter carriers were in.

Then and now, no one in authority was willing to meet with the letter carriers in order to resolve these numerous day to day problems. Canada Post has proved to be very frustrating for rural carriers who as a result have become bitter and yet they are determined to win the rights and benefits they so much deserve.

The unwillingness on the part of Canada Post Corporation to meet in any meaningful way with the rural carriers of Canada motivated these carriers to initiate action that would see fundamental changes to existing statutes.

This has been tried by way of labour board hearings and legislation. It is important to note that the employee status of rural carriers has been considered on four different occasions.

In 1987 the Canada Labour Board ruled that these letter carriers were employees of Canada Post. The board found that rural route carriers were fully integrated into the overall operation of the corporation and performed similar functions to those letter carriers in the cities. In other words, the board concluded that an employer-employee relationship existed. However Canada Post, in an attempt to get around this situation, appealed this decision to the Federal Court.

As aB result, the decision was squashed by the Federal Court after careful consideration. The court based this decision entirely on section 13.5 of the Canada Post Corporation Act and that is why we are here today.

Obviously the only course of action that can be taken now is to introduce legislation that recognizes the employee's status of these hard-working and dedicated public servants. Make no mistake, these men and women are public servants. They do serve the public exactly in the same way as letter carriers do in urban centres. Without a doubt, the delivery of mail is still considered a public service in this country. It certainly makes no differentiation between unionized mail carriers and the rural mail carrier. Unfortunately there are some fundamental differences.

For example the contract awarded to a rural carrier averages $16,000 a year. This figure is rarely negotiable. In many cases the rural carrier receives no extra payment for routes that have become amalgamated. Moreover, the rural mail carrier receives no pay increase for increased households, CODs, registered mail, parcels, special deliveries or electronic mail.

• (1910)

Finally, increases that we all face in Canada today such as gas price increases, insurance premium increases, the hiring of labour to deal with extra workloads, have lowered the real income of rural carriers. Canada Post does not recognize that rural route carriers are essentially going through the same difficulties that all Canadians are going through. That is the cost of putting together a business and trying to run a business in a business-like manner.

To understand Canada Post's attitude about the problems faced by the rural carrier is to understand the corporation's fiscally responsible manner of operation that it seems to have come to. I know that the minister has spoken in the House about this on numerous occasions claiming that Canada Post is becoming fiscally responsible. It is becoming a money-maker and as a result, as we pointed out on this side of the House, it has lost in many areas in terms of service to Canadians.

Canada Post, to be fair to the corporation and to outline for the Canadian public its position, takes the position that in order to "organize and manage its service requirements in a cost-effective and business-like manner, a formal tender evaluation process best ensures both fair competition among suppliers, and the best value for the corporation and its customers".

Thus, according to Canada Post, and I will quote again, "in every competition all technical, commercial and financial elements of the tenders are taken into consideration. The final decision on a tender is based on the ability to obtain maximum value for each purchasing dollar". In other words money, money and more money is the bottom line. The result is that we in rural Canada, who so depend on that mail lifeline and that service, are being adversely affected by this attitude of Canada Post.

Ideally the formal tender process takes more into account than the bottom line of a dollar. In the end the winning bid reflects expertise. Expertise combined with commercial and financial elements, I believe, should all be involved in the decision on who delivers the mail. However rural route carriers have found that within Canada Post Corporation the process can be less than ideal. The many letters that I have received from rural carriers across this country portray a public corporation that puts money before people and is ultimately exploitive.

I would like to take this opportunity now to read from some of these letters. I believe it is the best way really to reflect the injustices that are out there within our rural communities.

One woman from southwestern Ontario writes, and I quote:

> I am still a rural route contractor for route 1 and have been so for nearly 16 years. I have just renewed my contract for another five years in May of 1981. However one year after receiving this contract, our postmaster retired and we have just become another one of the corporation's rural postal outlets.

We have all experienced this problem throughout Canada, the injustices of the closing down of these rural post offices.

She goes on to say:

> When we were first notified of the 'structural change-over' (as they like to refer to it), every letter said that the rural route would not be affected in any way. Then less than five days before I was to start, I received a letter from Canada Post Rural Services informing me that my route would emanate 16 kilometres from my home. I was told that I would be responsible for servicing the rural post office, prime sorting all of the other town's mail as well as my route, carry all parcels, flyers, registered items, Priority Post items, of both routes. Canada Post's offer for performing this service is based on 30 minutes to separate the town mail from my rural mail plus a few cents mileage for the additional kilometres driven. The length of my route is 34.6 kilometres. I service 85 rural customers and deliver no less than 15 different kinds of flyers weekly. However since I have been moved to the rural outlets in another town to sort the mail, the number of kilometres travelled per day is 67.8. I am carrying mail now for 153 townspeople plus my own 85.
>
> Needless to say, the volume of flyers alone for this many customers fills my car on Mondays and Tuesdays, and I am afraid to think of what will happen when the Christmas mail gets into full swing.

This is something they just threw on to this lady. You do understand the seriousness of this.

> When I phoned Canada Post to try to get their co-operation to explain to them that the job of sorting the mail takes at least two hours, and that some days I have to make extra trips to town as my car will not hold the town's mail plus my rural mail, I was told that I could hand in my notice of 60 days if I was not satisfied.

This really shows the exploitive nature of this corporation and how it is now running with this new mandate set out by the government. She says:

> I have answered their offer in writing with a counter-offer for additional payment and I am still waiting for a reply. I cannot quit as this is my only source of income. My husband's employment was terminated so we are forced to accept Canada Post's abuse and extra workload without fair payment.
>
> I apologize for rambling on so long and I am sure there are others in worse circumstances. But I am becoming so weary and so depressed that I wanted you to be aware of what Canada Post is capable of doing.

That really says it all. If Canada Post was fair, if it really wanted to provide the service to Canadians in rural Canada as they do in urban Canada—and make no mistake, this should be a basic right of all Canadians, to have the proper mail service—they would address injustices such as this.

I want to go on to another letter, which is equally disturbing.

> I am the only contractor out of our post office. I am up to about 268 mail boxes and 57 kilometres. I have been doing the mail for about 13 years, but as soon as my contract is up I am packing it in. Unfortunately, that is not more than three more years. I deliver an average of 13 flyers per week, and as you know without compensation. My friend who is a letter carrier gets paid per flyer when he delivers them. Canada Post can make me deliver as many as they want and I cannot do anything about it. A contractor in the next village to us is quitting in June when her contract is up. We have all had enough. The only reason I don't quit now is because Canada Post is hanging on to about $2,000 of my money. I had to give them that instead of a letter of credit because my bank wouldn't do a letter of credit for such a small amount. I had to give Canada Post 10 per cent of a year's contract price or they would not let me have my contract renewed, which I had to tender for after all these years of service. That is gratitude for you.

What these examples illustrate is that in many of the economically depressed rural areas across Canada, people desperate for jobs enter into unfair and exploitive contracts with Canada Post in an attempt to secure some kind of livelihood.

You know the problem is out there. In effect, many rural carriers are exploited by Canada Post's formal tender evaluation process. In an attempt to win a contract, the experienced courier is forced to submit a bid that does not reflect the work, expenses and costs involved in the job. In most instances, the contract is awarded to the lowest bidder and the carrier with the experience, who wants only to make a fair living, loses. He is not the only one to lose. All rural Canadians lose when these letter carriers do. What is more problematic is that many of the problems faced by rural carriers are due to the vulnerability of living in rural Canada.

• (1920)

To a greater extent the rural carrier must contend with a persisting attitude on the part of Canada Post that it is dealing with a rural, unsophisticated, pseudo-entrepreneur. Obviously I find this very disturbing, mainly because the nature of the job dictates that people and service rather than money must be a priority.

I believe that rural route carriers face discrimination and injustice because of their contractual relationship

with Canada Post. This is compounded by subsection 13(5) of the Canada Post Act, which says:

> Notwithstanding any provision of Part I of the Canada Labour Code, for the purposes of the application of that part to the Corporation and to the officers and employees of the Corporation, a mail contractor is deemed not to be a dependent contractor or an employee within the meaning of those terms in subsection 3(1) of that act.

Therefore, I urge the minister responsible for Canada Post to introduce legislation that would repeal this discriminatory subsection. I urge him to do so on a priority basis. The importance of the repeal of this subsection is two-fold. First, as it now reads it has implications with respect to section 15 of the Charter of Rights and Freedoms in that it prevents a rural route carrier from receiving equal pay for work of equal value. Certainly the hon. members can see the hypocrisy of a Crown corporation whose legislation contradicts our charter. Second, an amendment to the Canada Post Act would ensure that Part I of the Canada Labour Code would apply to rural couriers in the same way that it applies to all employees of the corporation and most Canadian workers.

I see I only have one minute left. Canada Post, in its desire to act like a private corporation, has put money before people. I call on all members of this House to support me in this motion and I call on the minister to take action immediately to rectify this situation.

The Acting Speaker (Mr. Paproski): I like both the hon. member for Winnipeg—Transcona and the hon. member for Crowfoot. However, I had the hon. member for Crowfoot down first, so I must recognize him.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I thought you were going to recognize the hon. member for Winnipeg—Transcona first. I probably should tell him that I am not ready yet, or something like that.

I thought that today might be a refreshing day and that something very unique and different would happen. I was hoping that I would hear a Liberal member of Parliament come to this House and put forward a Private Members' Bill that would talk about cutting the expenditures of money. That would have been an unique idea, very rare and never before experienced. That is really the case. Never before have I seen a Private Members' Bill from the opposition side that advocated the cutting of money.

He talks about an injustice and an unfairness. Quite frankly my first criticism is the lack of evidence to establish that fact. I begin with some prepared comments that I would like to make today, I think that can be established and established clearly, as is also the case with numerous court hearings on this matter. They came to the same conclusion that the allegations of injustice simply are not justified.

I express some sympathy for the individual who signed the letter he read into the record. For a person who is earning $16,000 as their sole income it is obviously a significant hardship. It is not the intent of a rural postal contractor to serve as a person's sole job.

Most of these positions are part-time. They are coupled with people's other occupations. There may be extreme cases where this is some people's only job. That is not the intent of the work at all.

In many parts of Canada we examined the whole question of rural routes. At least in certain parts the activity is redundant. It is redundant with a community lifestyle in which people go to town for repairs or to purchase food. They visit their small villages, hamlets, or towns so frequently that a more legitimate question for Canadian society to ask is why if they are visiting a place where the post office is do we have a rural post office service and rural delivery in the first place.

I come from a very large rural constituency whose north section could be described as a farming area, some of it receiving rural delivery. The southern half could be described as a ranching area. My constituency is about the size of the province of New Brunswick.

I say to the hon. member for Haldimand—Norfolk that in many ways I could build a case to say that Canada Post has its criteria wrong in terms of how it establishes rural routes. If we look at the tax base of the ranching industry and the tax base of the oil and gas industry that co-exists with that ranching area we will find that there are enough tax dollars there so that instead of using the frequency of the number of persons per mile to justify a rural route probably a long and hard look should be taken at the opposite perspective.

I have constituents who travel 60 miles one way to get their mail. In other words, a return trip of 120 miles. In the farming areas most of those people are in town on a very regular basis, or members of their families. The very long hauls are where a postal service is more needed.

I am rising on the matter raised by my hon. friend for Haldimand—Norfolk. He asks to repeal section 13(5) of the Canada Post Act and seeks to change the status of Canada's rural route carriers and make them full-time employees of Canada Post Corporation.

Bill C–250 is a piece of legislation that runs contrary to anything that can be considered reasonable or appropriate for rural contractors and rural Canadians. Rural Canadians want to get their mail in a timely and efficient fashion. The passage of Bill C–250 would jeopardize that standard by changing the mutually beneficial relationship between Canada Post and its contractors.

Furthermore, this relationship has been scrutinized and has come through with flying colours. It has been repeatedly verified and supported by the courts, and it is on firm legal ground. Indeed, one decision by the court ruled the challenge to section 13(5) as frivolous. The truth is that Canada Post has been, is and will continue to be a major player in rural Canada.

So will its rural contractors. It is a beneficial relationship that has developed over time and they have provided a vital link in Canada Post's growing services. The Crown corporation operates in a fiscally responsible manner when selecting suppliers and contractors for many of its products and services.

A formal tender and evaluation process ensures an adequate and fair competition and allows the corporation to consider the most cost effective and market sensitive package submitted. Quality service and delivery are the key factors in Canada Post decision making.

This process gives all Canadians a chance to do business with Canada Post and everyone wins.

• (1930)

Members will no doubt realize that since becoming a Crown corporation in 1981 Canada Post has made major strides in becoming a profitable business answering to the myriads of calls in its giant client base.

As a corporation Canada Post serves some 6,000 communities across Canada. Many of its customers live in rural areas and depend on timely, effective and efficient postal service to deliver their products, send their bills and receive payments and social assistance cheques.

Canada Post's 100–year relationship with its rural contractors ensures that this vital connecting service continues. Still, since becoming a Crown corporation in 1981 Canada Post has striven to reduce costs and improve the efficiency of its personnel, equipment and service. It has done so.

In the last decade Canada Post has deliberately invested in high–tech equipment to get mail moving faster, cheaper and more efficiently. It is succeeding where its predecessor had failed.

The latest Ernst and Young performance results indicated that 98 per cent of letter–mail is being delivered on time in the major cities cross Canada. In achieving this Canada Post has also improved its performance in rural Canada because much of the mail going through major urban centres is processed faster and more efficiently.

That is the kind of performance all Canadians, rural and city dwellers, have come to expect and to rely upon. By repealing section 13(5) of the Canada Post Corporation Act and making rural contractor employees of a Crown corporation my hon. friend seeks to change, without just cause or legal precedence, the nature of this positive relationship which is so critical to the answering of the business and personnel needs in rural Canada.

My hon. friend wants to turn back the clock on profitability and efficiency, two of Canada Post's most prized and hard won accomplishments. When Canada Post hired its rural contractors, its intent was clear: "Deliver the mail and do it on time". The contractors readily accepted the terms. They wanted to deal with Canada Post on an individual and not on a collective basis.

No one forced them to do it. They did it out of their own free will and business sense. Now someone else wants to change the rules. Is the federal government in the business of changing job descriptions, of rewriting contracts to make jobs? Do we expect our Crown corporations to do the same?

Where is the bottom line? Who do you think is going to pay for all of this?

The Acting Speaker (Mr. Paproski): The hon. member's time has expired. He is a little over, and I regret that I will have to cut him off.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, it is unfortunate. I was looking forward to hearing the other half of that speech prepared by Canada Post.

I do not have the other half because I am not here to represent Canada Post, but instead the people who Canada Post allegedly serves and who have concerns. Some of those concerns could be addressed by the legislation that we have before us if it were to be passed.

I am speaking about Bill C-280. The purpose of this legislation, although I am sure the mover of the bill referred to it, is to ensure that rural route carriers would be guaranteed the right to organize and become a full member of a union under the labour code and the Canada Post Corporation Act.

At present, rural route carriers hired on contract are not permitted to be members of any union. Rural route carriers, who are very familiar with postal service in rural communities, do not have any way to formally appeal any decision that adversely affects rural services.

This is something that the hon. member who just spoke perhaps should have taken into account unless, as is probably the case, he has seen his way through to defending the emasculation of rural post offices and rural postal service that has taken place during the rule of this government. If these rural postal workers had the status of people who were unionized, they could resist changes in rural postal service, not just on their own behalf, but on behalf of the communities in which they work. They are not able to do that now, they are simply terminated. Their contract comes to an end and if they do not like what is going on they have absolutely no recourse and their communities have no recourse through them.

One of the things that would happen if this bill is passed is that the corporation's extensive cuts to rural postal services might be slowed down in time for there to be something left of rural Canada by the time a new government is elected in the next election.

As I understand it, the Canada Post corporate plan calls for the closing down of every rural post office in Canada by the year 1996. This bill would get in the way of that plan and I think that recommends it to the House or at least to those who are concerned about that corporate plan.

Another strong point of this legislation is the fact that many rural route carriers have put in years of quality service to their communities and to Canada Post. At present, they have no access to seniority privileges or pension plans. We think that these employees deserve an opportunity, which this bill would provide them, to negotiate benefits.

An example which was provided to me by our post office critic is that of Joe and Blaine Young who served Rural Route 2 in Westport, Ontario for 25 years. At that time, they had missed only one day of delivery due to weather. They recently lost their bid to service Rural Route 2 to another bid that was only nominally lower in price. So you can see the kind of injustice which can be done to people who have served their communities well, who have the kind of seniority that along with merit would protect them in any other situation. Yet for a few cents, Canada Post can decide that couple, who served their community well, literally through rain, sleet, snow and hail, all these 25 years, one-quarter of a century, can simply, bingo, be gone and some entirely new person, new to the community, et cetera, or whatever can be brought in.

This is the kind of thing that we would like to see prevented and that we understand the hon. member's bill would prevent. It is the position of the NDP, even though it is a private members' bill, and I can assure the hon. mover of the motion that I speak on behalf of all my colleagues here, that Canada Post should encourage efficient and long-term service to rural routes by recognizing seniority and long-term quality service. Neither long-term nor efficient service will be encouraged when bids from contractors with proven track records are passed over in favour of bids that are nominally lower in cost.

I had some experience of this myself. I do not have any rural routes to speak of in the new riding of Winnipeg Transcona, but when I represented Winnipeg—Bird's Hill, I had rural postal routes. Whenever, in the name of this sort of seeking the bottom line, there were changes to the various contracts, there were always problems that came to my attention. The people who the community knew were reliable and who had done the job and knew what to do were sometimes replaced by absolutely new people. I do not see that postal service is the kind of thing that people should be trying to cut each other's throat for in terms of getting these contracts. People who

do a good job should be paid well to do it and should have a measure of job security that is not now available.

If the hon. member for Crowfoot wants to say that this has worked for a long, long, time, yes, it worked for a long, long time when we did not have a government and a Canada Post that were dedicated to the kind of bottom line philosophy that we have now.

• (1940)

As long as you did not have that kind of Canada Post and that kind of government, this system may have worked. However, now you have a situation where these people are vulnerable to the new climate of competition. It is really another word for dog eat dog, survival of the fittest, let's have a nasty, brutish society, instead of the one we have managed to build up over the years.

What we are talking about here is, as it is with so many other things, when we get into what might seem to be simply a rural issue or a postal issue, we find that at the heart of it is a philosophical debate going on in this country between those who would sacrifice the Canadian way of life to this greater god of competitiveness. Sooner or later we will all be running around working eight days a week, 24 hours a day, to keep up with whatever country is psychotic enough to want to be even more competitive than their neighbour. Leisure and justice and all the other things we thought we were building toward will be completely eliminated from our way of life. This bill, in its own small way, will go some way toward putting the brakes on that sort of thing, at least as far as rural Canada is concerned.

It is clear from what has happened to the post office over the last few years that in this greater world of competitiveness, rural Canada is dispensable. It is not unrelated to what we saw here today when we had the farm coalition here asking for the kind of aid that would help them to get through a very difficult time. Hopefully, by the time some solution is found at GATT and prices go up a bit, or whatever the long-term solution might be, there will still be some farmers around to benefit from the solution.

One suspects that the farmers of Canada are a bit like the rural post offices. The government has decided they are dispensable. In the big rationalization, in the name of global competitiveness, many Canadians—whether they work in rural post offices or farm the land or work in other traditional areas—have been targeted for elimination in the name of this great new world order. I think we will find when it finally comes to fruition, that it is a very nasty world indeed.

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Mr. Speaker, I welcome this opportunity to speak to Bill C-250, tabled by my Liberal colleague across the way.

First of all, Mr. Speaker, let me say that I am totally opposed to the principle of the hon. member's bill. I am opposed to it because I believe that the Canada Post Corporation is not in the business of creating jobs but should concentrate on making itself a going concern and ensuring that Canadians across this country receive their mail within a reasonable timeframe and receive the kind of service they have come to expect.

When the Progressive Conservative government came to power in 1984—the occasional history lesson is useful—hon. members will recall that the Canada Post Corporation had a deficit of close to $600 million. Those $600 million were paid by all Canadian taxpayers, despite the fact that we were just coming out of a recession, at a time when Canadian families had lost their jobs and at a time when taxpayers were telling us: Listen, Mr. Prime Minister, we are sick and tired of seeing Crown corporations that are running a deficit. We are sick and tired of seeing departments spending more than the government receives in revenue. We are sick and tired of agencies and even governments—at the time it was a Liberal government—that are poor managers and are mortgaging the future of our young people and the future of Canada

At the time, the Progressive Conservative government told all its departments, through the Minister of Finance, Mr. Wilson, and told all its Crown corporations: You will have to pay your own way as much as possible.

The Canada Post Corporation is no exception to this rule. Starting with a deficit of around $600 million, as I just said, it has made profits totaling nearly $200 million in the last three years. That is efficiency. It proves that with the right decisions and good managment, a deficit can be changed into a surplus.

It also shows, Mr. Speaker, that any Crown corporation, whatever services it provides, can make money for all Canadians. It also shows, Mr. Speaker, that a Crown corporation like Canada Post, even though it does not always make the right decisions, can provide more services at lower cost, creating profits that will enable the government or even the corporation to improve the services that it will provide to the public and to be more competitive.

That is what Canadians asked us to do, Mr. Speaker. That is the mandate for which we were elected. The mandate of the Minister responsible for Canada Post was to make that corporation profitable and that is what Canada Post set out to do. We must say that we are proud of its successes and we hope that it will continue that way.

We are at a time when revenue is extremely important and I think that Canada Post has done a great deal in that regard, at least for now.

The reason I am against the Liberal member's bill is that I consider it unfair to give special advantages to some people. Let me explain.

In most rural areas and small villages, the rural postal contracts awarded by Canada Post are often one of the few ways that people who want to bid can obtain federal government contracts and get back some of the money they pay in tax every year.

Mr. Speaker, when I took office as my government came to power in 1984, dozens of people came to see us. Dozens of people from my riding said, "Mr. Champagne, it makes no sense that for decades, rural postal contracts have gone from father to son and we have never had a chance as taxpayers to bid. Although we are Canadians who pay our taxes, we have never had the chance to serve the country with a Canada Post contract, not with such a profitable contract that everyone would envy us, but a contract on which we could have bid, a contract where we could be more efficient and offer good service."

People came to my office, saying: "When will the government change this attitude? When will the government change this way of doing business? We wrote to the minister who was then responsible for Canada Post. He had discussions with officials of that corporation and they came to the conclusion that we should indeed go with public tenders in each community and each area covered, so that all Canadians interested in that type of contract could get involved."

Today, Mr. Speaker, we see new faces providing services for Canada Post in all our communities. We also notice that more people are interested in the activities of that corporation, because when they see how we proceed, when they see that they can bid on that type of contract, they look carefully at what that corporation is doing, and not in a negative way, Mr. Speaker. It is not negative, because even today people call to ask if we know when the contract for such and such a rural route will expire. Of course, we refer them to Canada Post, since it manages those routes. But you can see the interest generated by the Corporation's decision to call for tenders and to give each taxpayer a chance.

If we restricted rural routes to big contractors, as the member wants and as they originally were Canadians, my constituents and taxpayers, would never have a chance to bid on those contracts.

I believe that Canada Post did not want to favour a particular segment of the population, but rather to give each and every one of us the opportunity to bid. The member should understand that. Mr. Speaker, is the Liberal member saying that we should only protect the contractors and forget the others, that it wouldn't hurt them to pay taxes like everybody else, that it doesn't matter if they want to have the same chances as any other Canadian to be able to bid on tenders? It doesn't matter, Mr. Speaker, that the people who got the contracts first can take advantage of all the services and benefits offered by the Canada Post Corporation.

Mr. Speaker, I am against this bill because we are in a country where free enterprise exists, and I am against this bill because we are in a country where every Canadian has a right to make an honest living. Setting criteria and imposing restrictions that prevent other people from being able to bid and making a company like Canada Post Corporation a going concern is certainly not going to help us build a prosperous country with less unemployment and less injustice.

Canada Post made the right decision. It is only normal for Conservative members to object to this kind of bill, because to us, every Canadian is important and every Canadian has the right to earn a living in a democracy, in a society that supports free enterprise. That is why, Mr. Speaker, I am opposed to the hon. member's bill.

[*English*]

The Acting Speaker (Mr. Paproski): There being no further members rising to debate, the time provided for consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1) the order is dropped from the Order Paper.

It being 7.50 p.m., this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

The House adjourned at 7.50 p.m.

HOUSE OF COMMONS

Thursday, November 28, 1991

The House met at 10 a.m.

Prayers

[*English*]

POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I have two points really.

One is with regard to your ruling of yesterday regarding Question Period. I am wondering if the Chair has had time to reflect and perhaps inform the House so that we can prepare our questioners appropriately within the bounds of the Standing Orders.

Second, on Friday of last week Bill C-35 was before the House. A procedural argument was raised by me. I should notify the Chair that there had been a lot of co-operation between the three political parties in trying to facilitate this legislation.

Friday has elapsed, Monday has elapsed, Tuesday has elapsed, Wednesday has gone by and we do not have a ruling from the Chair with regard to the procedural argument that I intervened with at that time.

I have asked on two previous occasions when one might receive word from the Chair in terms of a ruling that has not been forthcoming. I seek its assistance and guidance in terms of both points of order as to how we are to proceed under both.

Mr. Speaker: I will deal with the first point first. I was going to call the hon. member for Cape Breton—East Richmond and have a discussion but there is perhaps no need to do that. I think if you look at the "blues" you will see clearly the question that was put directly to the Prime Minister by the hon. member for Cape Breton—East Richmond was put in the terms of the word "you" which is clearly contrary to our conventions. At that point I stood up.

Further, if one considers the Prime Minister was not prepared to answer the question in any event, I moved on.

It is a judgment call. I would ask hon. members to be very careful not to personalize the questions but to put the questions through the Chair and then perhaps neither they, in the midst of some important matter, nor the Chair might be put in an awkward position *vis-à-vis* each other. I am sure none of us would want that to happen.

On the second question raised by the hon. member, I think we are in a position to respond at 3 p.m. today. I am sorry for the delay.

ROUTINE PROCEEDINGS

[*English*]

POINT OF ORDER

THE CONSTITUTION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on a point of order. Under this portion of the Standing Orders are the Routine Proceedings. We have heard some rather extraordinary developments in terms of the constitutional issue in the last few hours.

My question is directed to the parliamentary secretary to the government House leader. I know the Minister responsible for Constitutional Affairs is unable to be here. I understand he is at meetings at the moment. Would he be making a statement perhaps later in the day on the most recent developments? Is there any plan to do that?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I would have to take that as a representation from the hon. member and I will bring it to the minister's attention.

[*Translation*]

CANADA LABOUR CODE

MEASURE TO AMEND

Hon. Marcel Danis (Minister of Labour) moved for leave to introduce Bill C–44, an act to amend the Canada Labour Code (geographic certification).

Mr. Speaker: Pursuant to Standing Order 68(2), the motion is deemed to be adopted.

Mr. Danis moves that the bill be now read the first time and ordered to be printed.

Pursuant to Standing Order 69(1), the motion is deemed to be adopted.

Bill read first time and ordered to be printed.

[*English*]

Mr. Riis: Mr. Speaker, I have a question regarding the bill that has just been tabled. My question is to my hon. friend, the parliamentary secretary to the government House leader. Does he feel any sense of urgency regarding this legislation? Second, is the Senate, or the other place, in a position to deal with this in the remaining part of this week? Is he able to respond to those two questions? If not, perhaps we could have some discussions later in the day.

Mr. Cooper: Mr. Speaker, I can say to my hon. friend that there appears to be some urgency for the legislation. I understand that it would help bring to an end a strike that has been going on for several months now. In that sense, yes, there is some urgency.

Second, in terms of the Senate, I cannot answer for it although normally on this type of legislation it has had a tendency to be very co–operative. If in the next day or two we were able to complete this legislation, that would certainly help. Getting it to the Senate early tomorrow may allow for speedy passage.

• (1020)

Mr. Murphy: Mr. Speaker, my question is to the parliamentary secretary to the government House leader. Once the Senate rises today when does it sit again? Is it not Tuesday?

Mr. Cooper: Mr. Speaker, I must confess not having been a member of that august institution I am not familiar with its sitting hours. However, I would be happy to check and if we can do anything to encourage it to help facilitate the House in the passage of this legislation, rest assured that if this House could come to an agreement on it I would be more than happy to make representations to the hon. senators down the hall.

Mr. Dingwall: Mr. Speaker, we in the Liberal party would want to co–operate in every way possible in terms of facilitating the legislation on the floor of the House. Perhaps the parliamentary secretary could obtain answers to the questions which have been put forward by my hon. friend, the House leader for the New Democratic Party. Then a discussion might take place with House leaders later this day to see whether we can facilitate the minister's particular objective here.

Just to underline, we are more than willing to co–operate with the government providing that we do have some reasonable discussions later this day.

Mr. Cooper: Mr. Speaker, I have just been passed a note indicating that the Senate does not sit tomorrow. Perhaps what we can do as House leaders is get together and have a quick discussion and perhaps we can come to a reasonable agreement that will accommodate all the parties' concerns.

Mr. Riis: Mr. Speaker, I just want to say that I appreciated the comments by my hon. colleague, the House leader for the Official Opposition. I think the suggestion is a very good one and we should meet as House leaders or appropriate designates and see if we can deal with this in an appropriate way without hindering progress on the legislation.

Mr. Speaker: I thank hon. members.

PETITIONS

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am delighted to have an opportunity to present this petition on behalf of a number of constituents from central and northern British Columbia who have been informed of the intention of a certain company in western Canada, in association with a California company, to dam the North Thompson River at Vavenby, British Columbia, in an effort to divert the water into the Columbia Valley trench and through a series of canals and pipelines into San Diego, California. Not surprising, this would cause a lot of concern for people who are concerned with diverting water and upsetting the ecosystem to that extent.

They are simply calling upon the Government of Canada to state categorically that this would not be allowed.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): I have another petition on behalf of a number of people, primarily from Kamloops and a number of other surrounding communities, who are asking the federal government to ensure that proper funding is provided to our Royal Canadian Mounted Police to enable it to fulfill its mandate.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, question No. 157 will be answered today. I ask that the remaining questions be allowed to stand.

[*Text*]

Question No. 157—**Mrs. Gaffney:**

How much money has been spent on the Royal Commission for New Reproductive Technology since its inception in October 1989?

Mr. Leonard Gustafson (Parliamentary Secretary to Prime Minister): Since its inception in October 1989 until November 15, 1991, the Royal Commission on New Reproductive Technology has spent $12,794,067.

[*Translation*]

Mr. Speaker: Shall the other questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA PENSION PLAN

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-39, an act to amend the Canada Pension Plan, the Family Allowances Act and the Old Age Security Act, as reported (without amendment) by Legislative Committee B.

SPEAKER'S RULING—MOTIONS IN AMENDMENT

Mr. Speaker: It is now my duty to give a ruling with respect to a number of amendments that came in late yesterday afternoon to Bill C-39. I want to say first of all that the staff worked until midnight trying to deal with them all and we have not had time—and I hope hon. members will appreciate this—to discuss with members the amendments that have been filed. It just has not been possible and I have not had very much time to look at them myself except early this morning.

I am going to do the very best I can with this but I am conscious of not being able to follow our usual practice which is to try to have discussions with members before I give the ruling.

[*Translation*]

There are 33 notices of motions in amendment to Bill C-39, an act to amend the Canada Pension Plan, the Family Allowances Act and the Old Age Security Act, at report stage.

[*English*]

Motions Nos. 1, 1A, 2, 2A, 3, 3A, 6, 6A, 10, 10A, 11, 11A, 12, 12A, 15, 15A, 16, 16A, 17 and 17A standing in the names of the hon. members for Winnipeg North and Cape Breton—East Richmond are beyond the scope of the bill. Therefore, in accordance with Beauchesne's sixth edition, citation 698(1), these motions cannot be selected.

[*Translation*]

Motions Nos. 4A and 7A, standing in the name of the hon. member for Cape Breton—East Richmond, will be debated together but voted on separately.

[*English*]

Motions Nos. 4 and 7 standing in the name of the hon. member for Winnipeg North will not be selected because they are identical to Motions Nos. 4A and 7A.

[*Translation*]

Motions Nos. 5A, 9A, 13A and 14A, standing in the name of the hon. member for Cape Breton—East Richmond, and Motion No. 8, standing in the name of the hon. member for Swift Current—Maple Creek—Assiniboia, will be grouped for debate but voted on as follows:

[*English*]

(a) a vote on Motion No. 5A will apply to Motions Nos. 9A, 13A, and 14A; and

(b) Motion No. 8 will be voted upon separately.

[*Translation*]

Motions Nos. 5, 9, 13 and 14, standing in the name of the hon. member for Winnipeg North, will not be selected as they are identical to Motions Nos. 5A, 9A, 13A and 14A.

[*English*]

Recapitulation: Motions 1, 1A, 2, 2A, 3, 3A, 4, 5, 6, 6A, 7, 9, 10, 10A, 11, 11A, 12, 12A, 13, 14, 15, 15A, 16, 16A, 17 and 17A are not selected.

[*Translation*]

Motions Nos. 4A and 7A will be debated together but voted on separately.

[*English*]

Motions 5A, 8, 9A, 13A and 14A are grouped for debate. A vote on Motion No. 5A will apply to Motions Nos. 9A, 13A and 14A. Motion No. 8 will be voted upon separately.

[*Translation*]

I shall now propose Motions Nos. 4A and 7A to the House.

• (1030)

[*English*]

MEASURE TO AMEND

Mr. David Dingwall (Cape Breton—East Richmond) moved:

Motion No. 4A.

That Bill C-39 be amended in Clause 6 by adding immediately after line 22 at page 4 the following:

"(2) For the purposes of this section

(*a*) "marriage" includes a conjugal relationship between two persons of the opposite sex living together;

(*b*) "divorce" includes the termination of a conjugal relationship between two persons living together."

Motion No. 7A.

That Bill C-39 be amended in Clause 12 by adding immediately after line 13 at page 13 the following:

"(10) Where there are one or more persons who are former spouses of a contributor, the Minister shall, subject to the terms of any spousal agreement, apportion the survivor's pension between the surviving spouse and the former spouses in proportion to the time that the marriage or conjugal relationship subsisted during the period the contributor contributed."

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, the intention of these amendments is to recognize that a marriage, whether common law or traditional, is truly an equal partnership between the spouses.

The idea emanates from the excellent report of the National Council of Welfare entitled *Pension Reform* released in February 1990.

What these amendments intend to do, Madam Speaker, is to provide for credit splitting on the breakdown, unhappy as it may be, of a marriage, legal or common law, that lasted for at least a year.

What has happened to date is that the Parliament of Canada said that splitting could be over-ridden by provincial family law. In fact, Saskatchewan decided to over-ride the federal law and allow spouses to waive the right to credit splitting.

Allowing pension credits to be traded off in a separation or divorce can work to the particular detriment of women. That is the assessment of the National Council of Welfare. In fact in this report, a young woman might waive her right, for example, as given in this report to $10,000 worth of pension credits for an extra $10,000 of equity in the family home.

That may be appealing in the initial stage of the breakdown, but only in the short term. It would leave the woman in financial difficulty when she gets to retirement age.

The other point I would like to make is that since the option for credit splitting became available in 1978, as of September 1989 there had been only some 21,000 applications for splitting under the CPP approved.

Yet the statistics indicate, Madam Speaker, that over those intervening years, approximately half a million divorces had happened. You can appreciate that not many had availed themselves of this particular privilege, likely due to lack of knowledge and awareness of the particular privilege.

What is intended is to make this a routine sort of privilege given to the spouses who decide to separate their marriage legally.

That is the intent of this amendment. Indeed, it will truly be a step forward in the sense that it will recognize that spouses during their relationship in a common law, legal marriage have contributed equally to the assets that they have had up until that point.

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I really want to applaud my hon. friend for this most thoughtful and appropriate amendment.

We are cognizant of the fact that unfortunately on an increasing basis marriages both legal and common law do break up. This particular proviso would recognize that after one year of marriage the credit splitting would occur.

My hon. colleague expressed it extremely well when he remarked that at the point of the marriage breakup the tensions and the difficult times that exist for the people directly often result in some short-term decisions being taken. In many cases one of the partners might take a short-term gain in the desperation of the moment and the frustration and anxiety that surrounds that particular period of their lives. But in the long term if they were to give up part of the credit splitting it would be certainly detrimental for the rest of their lives.

We have seen, as he has indicated, provincial jurisdictions that have taken initiatives that actually override these provisos. In this case we are probably dealing on balance with more women than men. More women are finding themselves in extremely difficult circumstances as a result of a marriage breakup and the loss of credit splitting.

In terms of this particular legislation I want to say very clearly on behalf of the New Democratic Party that we will support this suggestion most enthusiastically.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, I would like to comment on the amendments at report stage today put forth by my colleague from Winnipeg North. He has raised a question that needs a bit further attention.

When divorce or separation occurs, there are a lot of tensions and difficulties and we realize that. It is an unfortunate time in the lives of many people.

I would like to draw to your attention that the hon. member was part of the legislative committee that was reviewing Bill C-39. Indeed the bill had been in our hands for some time before second reading. I really wonder why it was not raised at the legislative committee. We spent a great deal of time with regard to disabilities and we all learned a great deal.

With regard to these amendments which were put forth very late yesterday, I would like to draw your attention there are more ramifications than have been brought to the floor today.

When the CPP legislation came in and was enacted in 1966, we the federal government had agreements with our provincial counterparts. Prior to making changes this agreement says that we would discuss the proposals and come to an agreement in principle prior to making an amendment or any amendments to the Canada Pension Plan legislation.

I am very sympathetic to the recommendations and amendments that my colleague has put forward and indeed a lot more work has to be done in this particular area. But at this particular point in time I am afraid I cannot accept them for two reasons. The first is that they have not been carefully studied. The second is that the federal government through the Minister of National Health and Welfare has not had the opportunity to discuss these particular issues with his counterparts in the province. I will certainly take this notice and make sure the minister is well aware of it.

I thank the hon. member once again for bringing this to our attention. I just wish he had done it at the legislative committee. We certainly would have discussed it.

• (1040)

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, I have a comment with regard to the amendment which my colleague and I have put before the House. I listened to the member opposite in terms of the fact that these particular issues were not raised at the committee.

As the Chair knows, members have the opportunity either at committee or indeed report stage to put forward amendments. Knowing the hon. member as I do I am certain that she has not questioned the motives of my colleague in terms of why we have presented these amendments at this time.

I guess what I am hearing from the hon. member opposite is that there is some acceptability to the amendments but because of their consequential effects the hon. member does not wish to proceed with the formalization of accepting those amendments. I can understand that.

Perhaps what we might want to do is to give the parliamentary secretary or the Minister of National Health and Welfare an opportunity to check with department officials to see whether or not the consequential effects that they deem are so bad that it would preclude passage of the amendment.

We would argue on the other side that the amendment is fairly straightforward and its consequences in terms of other legislation or on the treasury are not what the hon. member is alluding to. Therefore I would ask the parliamentary secretary to reflect on the amendment. I make this partly as a submission and really partly as a question. It is very straightforward.

In view of reality and what takes place in this country, the amendment and the definitions of marriage and divorce have been accepted in all jurisdictions pretty well across the board in each of the provinces. I would think that the Government of Canada would want to support that kind of an amendment.

I do not want to give a history in terms of what the courts have adjudicated with regard to these terms. It is unequivocally clear that the definitions as referred to in Motion No. 4A will not provide undue difficulties for the Crown, nor will it have any disastrous consequential effects or minor consequential effects.

I take the parliamentary secretary at her word. I know the hon. member and she is a very distinguished and a very reputable colleague in this House. I would hope that some reflection by the parliamentary secretary and the government could be given to the amendment as I believe other members will want to speak to it because it does reflect the Canadian reality. It is reflected in our courts. It is reflected in the administration of justice throughout the land and all the provinces.

Again, I ask with great respect if my hon. friend opposite would reflect on my interventions as well as the interventions of other members who wish to speak to this amendment.

Mr. Sid Parker (Kootenay East): Madam Speaker, I too would like to respond to the member for Calgary South. I take a great deal of exception to the remarks made to our House leader with regard to these amendments. The Liberal members also know the frustration that we had when we were in committee and dealing with it and not only when we saw the witnesses. We know the concerns with regard to the Canada Pension Act and Bill C–39 and the issues that were raised. I want to tell the member for Calgary South that I did raise these issues as the member for the New Democratic Party with regard to our concern about the bill. The fact remains it was evident right from the very beginning that we were dealing with Bill C–39 and the proposals the government had put forward.

The frustration we had in committee as witnesses came forward was that we should have actually been dealing with the Canada Pension Act. I support the amendments the Liberals have put forward. But the fact remains, how are we going to enact them and get them put in there?

Anyone who has been involved in this committee knows that the procedure of dealing with the Canada Pension Act is to get the act before the committee so that we can deal with it in all the areas of concern we have. There are some very serious concerns in there. We are going to support these amendments. What should have been done is that the Canada Pension Act should have been brought forward and not Bill C–39 and some little segment of it. There are concerns with that bill and changes need to be made.

I take a great deal of exception to the remarks made to my House leader that we should have raised it in committee. I had frustration in that committee with regard to seeing witnesses come and present their concerns firsthand. Every one of us knew those concerns were there and knew the deficiencies there are in the act. Then the member for Calgary South states that we should have raised those issues in committee. I want to say with a great deal of respect that we identified those concerns. It was a matter of how we could deal with them.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, this is to the parliamentary secretary. I noticed in the amendments that the sources for these amendments basically came from fellow colleagues here in the House of Commons, our constituents, the Canadian Chamber of Commerce, disabled groups and the National Council on Welfare.

I wonder if we are truly sincere about having these various stages of debate. It was only two weeks ago that we had the previous round on debating this bill. I do not think it is unreasonable during the period that we would hear from people who would make contributions or minor corrections to this very important piece of national legislation.

I say to the parliamentary secretary with respect that if we ignore these amendments or recommendations from people who have a pretty close experience with the issues related to this bill, what kind of credibility does that give us as national legislators? It is a bit of an insult and a waste of their time and their input.

Like my colleague from Cape Breton I would appeal to you to reflect because these amendments are good common sense amendments that will in no way, shape or form affect the physical framework of this nation. They will only make a national piece of legislation that much better for people in our society who right now need that little bit of extra care.

While I am on my feet I would like to appeal to the parliamentary secretary to discuss this with her colleagues.

We talk about all of these amendments in these bills so often and it occurred to me this morning that very few people in the country know when we make these good amendments to a good piece of legislation. You can bet your bottom dollar that the Press Gallery will not cover this. There are some amendments to the Canada Pension Plan, but no real detailed description that will go to every region of this country.

• (1050)

I would appeal to her to consider communicating these amendments to the act in a broad way, maybe through newspapers or some other forum where everyone in Canada can know that these constructive changes have been made.

Mr. Stan Wilbee (Delta): Madam Speaker, I find myself in an interesting quandary today. I think the amendments as proposed are good. I have two situations in my own riding where women have been adversely affected by divorce proceedings where they have been the spouse of a man for a long period of time, the marriage has broken down and they have been left without protection under this particular act.

At the same time, there are a lot of other good things in this bill. I guess my concern this morning is that by moving these amendments and talking about consultation with provinces, what is going to be required and how long is it going to be before we can bring all these things about? If we do not accept these amendments today, when could they possibly be incorporated into the act? I feel they are good amendments. They improve the act and certainly protect Canadians. As we know, these are the ones who are least able to care for themselves as they grow older and that is an important part of the legislation.

I guess I would like the parliamentary secretary to inform me just what the procedure would be in the future. When can we revisit the bill if it is not passed at this time? What would the delay be in consultation with the provinces which appears to be necessary?

Madam Deputy Speaker: I see two different people rising both of whom have already spoken on those motions. I am quite prepared to recognize both people, but I do need unanimous consent of the House.

Some hon. members: Agreed.

Madam Deputy Speaker: The hon. parliamentary secretary may want to hear what the other person has and then she could answer. The hon. member for Winnipeg North.

Mr. Pagtakhan: Madam Speaker, I would just like to re-echo the sentiment of my House leader, the member for Cape Breton. As a procedure, of course, it is our privilege that we present this motion at report stage.

Again, to echo the sentiment of the NDP at that legislative committee, it was a fact that we were given a timetable. It was almost humanly impossible to consider all these amendments and allow for reasonable and rational debate on the many amendments that we proposed.

What we indicated is a theme on the concerns indicating that we have given notice to this government that we would propose amendments at the report stage.

I would like to thank my colleague from Delta for his support of this amendment as well as other members who spoke earlier, including the parliamentary secretary. I have noted the quandary of my colleague from Delta. I was asking myself, before I stood, why the quandary? Perhaps it is because he belongs to the government side. If that were so, I think today I should congratulate him for the courage to indicate in a very non-partisan fashion a commitment to an amendment that in fact is votable as has been proposed. Truly, I must not claim the full credit. I only allowed the process to bring the thought of the National Council of Welfare to this Chamber.

On that note, I would really beseech the parliamentary secretary to reconsider and ask her government to support this motion.

Mrs. Sparrow: Madam Speaker, I do share these concerns with respect to divorces and splitting of benefits. I want to thank my colleague from Delta for expressing his concerns. This, of course, is not the first time the hon. member has brought forth the concerns of his constituents. Indeed, this is something that will be put on the agenda at the next minister's meeting with his counterparts in the provinces.

However, what we are talking about here today is the division of powers, the powers between the provinces and the federal government. I guess we are already on notice of appeals and if we have to face reality, a lot of this has to do with provincial authority as well.

I will take the member's concerns and, indeed, these amendments that he has put forward, as well as those of the member for Broadview—Greenwood about communicating the criteria to the public right across Canada on the system and the amendments that are made to the Canada Pension Plan.

The problem as the member for Delta knows is that we have a bill before us today that is going to increase the benefits to dependent youngsters of disabled and deceased contributors and that, of course, we want to go through and be applicable January 1, 1992.

The Minister of National Health and Welfare met with his counterparts some months ago and came to an agreement in principle. Therefore, we have this agreement in principle on the amendments. They are in Bill C-39 at the present time.

Therefore, I can certainly give you, Madam Speaker, and my colleagues my guarantee and promise that I will take these concerns forward to ensure that the minister in his discussions next year with the provinces brings forth the credit splitting and the benefits with regard to marriages, be they common law and/or traditional that break up.

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: The first question is on Motion No. 4A. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen;

Madam Deputy Speaker: Pursuant to Standing Order 76(8), a recorded division on the proposed motion stands deferred.

The question is on Motion 7A. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

Madam Deputy Speaker: Pursuant to Standing Order 76(8), recorded division on the proposed motion stands deferred.

We will now move on to Motions Nos. 5A, 9A, 13A and 14A. They will be grouped for debate. I will remind hon. members that a vote on Motion No. 5A will apply to Motions Nos. 9A, 13A, and 14A, that Motion No. 8 will be voted upon separately.

• (1100)

We will start with Motion No. 5A.

[*Translation*]

Mr. Dingwall (Cape Breton—East Richmond) moved:

Motion No. 5A.

That Bill C-39 be amended in Clause 6 by adding immediately after line 34 at page 4 the following:

"(3) The said Act is further amended by adding the following immediately after subsection 55(8)

"(8.1) Where a person makes an application under this section, the Minister shall send a decision in writing to the applicant within thirty days of the date the application and all information required to be submitted with it is received by the Minister.""

[*English*]

Madam Deputy Speaker: Motion No. 8 will not be put to the House as the hon. member for Swift Current—Maple Creek—Assiniboia is not present.

[*Translation*]

Mr. Dingwall (Cape Breton—East Richmond) moved:

Motion No. 9A.

That Bill C-39 be amended in Clause 14 by adding immediately after line 3 at page 15 the following:

"(12) Where a person makes an application under this section, the Minister shall send a decision in writing to the applicant within thirty days of the date the application and all information required to be submitted with it is received by the Minister."

Motion No. 13A.

That Bill C-39 be amended in Clause 19 by adding immediately after line 3 at page 18 the following:

"(4) Where a person makes an application under this Division, the Minister shall send a decision in writing to the applicant within thirty days of the date the application and all information required to be submitted with it is received by the Minister."

Motion No. 14A.

That Bill C-39 be amended in Clause 20 by adding immediately after line 48 at page 18 the following:

"(3) The Minister shall send the notification and reasons referred to in subsection (2) to the person who made the appeal, within thirty days of the date the appeal and all information required to be submitted with it is received by the Minister."

[*English*]

Madam Deputy Speaker: The House is giving consent for the hon. member for Cape Breton—East Richmond.

Mr. Dingwall: Madam Speaker, there is a—Does the hon. member have a question?

Mr. Crosby: No, I'm just giving my consent.

Mr. Dingwall: Oh. I want to thank the hon. member for his great gesture of generosity on a Thursday, November 28.

Madam Speaker, my colleague from Dartmouth, one of the more distinguished and hard-working members of Parliament and of this House will fully appreciate what I am going to say with regard to these amendments. I hope the parliamentary secretary likewise will appreciate the fact that the department for which she is responsible in this House probably has some of the finest public servants in this country.

I want to make special reference, if I may, to those individuals who administer the Canada Pension Plan, who administer the Canada Pension disability applications which come forward, and to all those individuals who have been involved with family allowance and the Old Age Security.

I have had the pleasure over the years to meet, to discuss, to interface, to write, and to seek their assistance on behalf of constituents.

They can only do so much. They cannot pull rabbits out of a hat, although sometimes members of Parliament I would think would want them to do so. They are not able to expedite decisions because of the law.

I am not presupposing that the parliamentary secretary would say no to the amendment which is being put forward. I am hoping the parliamentary secretary will concur with the substance of the amendment, which is to expedite and to facilitate the process both for the claimant as well as for the public servants who have to administer those claims.

It is utterly shameful, and I say this with great sincerity to the parliamentary secretary, for a claimant to have to wait for an inordinate amount of time before an adjudication is reached by the department.

I am not saying, as I indicated at the outset, that this is the fault of some public servant who is not doing his or her job. I have a great respect for and I admire them. They have a tremendous workload. They have a phenomenal work ethic, but they need the assistance of this Chamber in order to direct a sufficient amount of resources which are necessary. Obviously that will be part and parcel of the bill in any event because the premiums have gone up and it is going to require some additional administration expenditures. There is no question about that.

But 30 days is a long time in a woman's life when she makes application for a benefit and the Government of Canada, some would say through wanton neglect, is not responding to that claim. The law is wrong. We should change the law.

I have hundreds and hundreds of constituents who have made application for Canada pension disability under the Canada pension fund. They have to wait not days, not a week, but they have had to wait months. Life does not stop. They still have to put groceries on the table. They still have to feed their children. They still have to clothe them. They still have to pay energy costs and transportation costs for their children.

The law is wrong. It does not give a clear directive to officials, able officials I might add in the Department of National Health and Welfare, to see to it that these benefits which if they are approved are done so quickly and expeditiously. If they are not approved the decision should be made as well and given to the claimant expeditiously.

I have constituents who come to my office who have waited for months and months and months. I have colleagues in this House who are aptly aware that some have had to put off expenditures for their children going back to school in September. Some have been denied that bit of extra income for the purchase of Christmas gifts.

I know hon. members opposite will say: "Oh, he is being melodramatic again". I am not. That is a reality. That is a fact.

If a woman has two kids, one in university and one in high school, they eat like horses. She has to dress them. She has to feed them. She has to provide them with some entertainment, unless we believe in the catholicism of some members in this House that somehow if she is on welfare or on a fixed income, those children, that woman or that man are not supposed to have a television. They are not supposed to have any entertainment. They are not supposed to have a social life. They are not supposed to have the necessities of life. The law is wrong. This amendment, I suggest to the parliamentary secretary, will not cause any undue burden to the Crown. It will expedite decisions of the Department of Health and Welfare. It will assist those able men and women within the Department of Health and Welfare to expedite those decisions on those various claimants. That is what the amendment is intended to do in Motion 5A, as is referred to in the other amendments I have drawn to the attention of this House.

• (1110)

I say to the parliamentary secretary that in the sense of urgency and in the sense of fairness 30 days in the life of a woman, a man or a child to receive a benefit from the Government of Canada is a long time. But, 90 days, six months of twelve months is beyond comprehension or reason.

We are not standing up for the president of the Toronto-Dominion Bank. I am not standing here pleading for somebody like the president of Alcan. I am not pleading to the parliamentary secretary for the fat cat labour leaders or the fat cat politicians. I am talking about average individual Canadians who have legitimate claims. In all goodness and fairness and with good intentions, I ask the parliamentary secretary to reflect on the reality in Canadian society today.

The men and women in the Department of Health and Welfare, as I said at the outset and as I am sure my colleague from Dartmouth would want to say, are first-class people. I tell my constituents all the time that in the office in my constituency in Sydney and Glace Bay there are superb people but the law is wrong. We have to change the law. If we do not change the law those people will continue to hurt.

Do you know what it is like to see a woman sitting in your office and crying because she cannot get a decision on the benefits to which she believes she is entitled? Do you know what it is like for a man to come to your constituency office and say: "I have four kids. I cannot get a decision?" That is pretty humiliating.

I am not asking the Government of Canada to write us a blank cheque. I am not asking for $250 million as it is allegedly going to give in Montreal for economic development. I am not asking for $800 million as we are giving to the farmers. They need more and rightly so. I am not asking for a blank cheque. I am asking the parliamentary secretary and the government opposite for a little bit of fairness and a whole lot of social justice.

Madam Speaker, you have been kind in this debate. You have allowed me to participate and to say the things I fervently believe. I conclude with these remarks. If we fail in giving those individuals some sense of decency and dignity, I have to ask myself: What are we doing in this Chamber? This Chamber is a great institution. A positive decision will give some confidence, some credibility to the Chamber and to the members in the Chamber, but a negative decision may lose my amendment. My colleague will have lost the amendment too.

The people who will lose are those Canadians who have very few people standing up for them anywhere in this country. Through you, Madam Speaker, I ask an hon. friend, a respectful and distinguished colleague in this House, to give careful, prudent and kind consideration to this amendment.

Mr. Sid Parker (Kootenay East): Madam Speaker, I would like to join in the debate on this amendment.

I do not know what kinds of games the Liberal Party is trying to play in this House today. If the House leader of the Liberal Party had been to the committee—we had a member who represented the Liberal Party in the committee—he would know that the chief actuary came to the committee and explained the procedures very carefully.

I want to refer to the actuary's report that was presented to the House prior to the committee sitting. There are some rules that must be followed. The reality is that we have to abide by those rules. A chief actuary is appointed and I want to quote from his document that was presented because he had to present to the House. I had to question him with regard to that.

Ten minutes before we sat down in committee the actuary's report as to how we are supposed to deal with these things was being presented to the House. Very briefly, and this is from the chief actuary who does the studies when amendments are made, "in accordance with a request from the Minister of Finance the chief actuary shall, whenever any bill is introduced in or presented to the House to amend this act in a manner that would in the opinion of the chief actuary materially affect any of the estimates contained in the most recent report under this section made by the chief actuary, prepare, using the same actuarial assumptions and bases as were used in that report, a report setting forth the extent to which such bill would, if enacted by Parliament, materially affect any of the estimates contained in that report".

It is quite obvious. We are dealing with Bill C-39 that was going to affect the estimates of the Canada pension bill. The actuary, according to law, is supposed to find out what kind of costs are going to be involved in these

kinds of changes. There is were the dilemma was in the bill, the bill that was presented to us.

I do not want to leave the impression like the Liberals are trying to leave that we can amend this bill and bring forward these amendments. Yes, we have some serious problems with the Canada Pension Act. We all know that. However, amendments are being brought forward and people are being given hope that we are going to amend this bill and change it, when we know in this House that two-thirds of the provinces will have to agree to it. The Canada Pension Act is not going to come before the House until 1994. Here is the last one that was done. I blame both the Liberals and the Conservatives for not dealing with these problems when they were in power. The Conservatives are in power and we should not be dealing with amendments to Bill C-39. We should be dealing with amendments to the Canada Pension Act.

The concerns and amendments that have been put forward are nothing but a farce because they are not going anywhere. They cannot be implemented. How are they going to be implemented? The chief actuary and the provinces are involved. The Canada Pension Act is what we need before this House, not Bill C-39.

We are going to support the amendments, but I do not want to leave the impression with the people of Canada that we are making any changes, because we are not making any changes.

• (1120)

We are not making any changes until such time as we can come forward and the governments have the will to bring forward the Canada Pension Plan. It is much outdated. We have been told by the actuary that the private sector is way ahead of the government, the public sector. The private sector has better programs in place than the Canada Pension Plan. Shame. The Government of Canada and the people of Canada should be leading the private sector. We have been told by the actuaries that that is not happening.

With a great deal of respect I say to the Liberal Party that it has placed these amendments knowing full well that there are procedures which have to be followed here, knowing full well that there is no way that they are going to be implemented. We are going to support them or we are going to put them there, but my party and I do not want to leave the impression out there that we have made any significant changes here today. We have not.

I supported the member for Don Valley East and supported his motion, an excellent motion, and got the consent of all of the House. The reality is that it passed, it went through all of those readings. What is going to happen to that bill? It was passed unanimously in this House of Commons and stated that if people qualify they would be able to get their compensation regardless of the period of time.

It was passed. What is the procedure of that bill? I will tell you what the procedure is, as I understand it. It was passed unanimously by the House of Commons. The minister will take that to the provinces. He will discuss it with the provinces and if two-thirds of the provinces agree and accept it, then it will sit for another two years in limbo until such time as the Canada Pension Act is opened up. Then it will be implemented into the Canada Pension Plan and then it will become law.

Regarding your amendments, although they are all very good amendments and there are many more that I could also present, the fact of the matter is that until we open up the Canada Pension Act and we get into that act and make those changes we are not going to have any meaningful changes.

I will get into the bill itself a little bit later. The fact remains with regard to the $35 that we are talking about for disabled orphans, everyone wants to make sure that we pass this bill and get it through, and the reality is that we are going to pass it, it is going to become a part of the government's agenda, it is going to meet with the provinces, and if it is agreed upon and I am sure the provinces will agree because they are—

An hon. member: What is the problem?

Mr. Parker: The problem is that the provinces if they wished could deduct dollar for dollar. If you get a $35 increase and the provinces decide that minimum is coming there, they could deduct dollar for dollar and therefore in some cases the increase will be nil. That is the problem.

We have to do something. I am suggesting that we call upon the government. Let us sit down in a meaningful way with the Government of Canada and the provinces and address the real problem, the Canada Pension Act. 1966 was when this act was invoked and it is time for this government, and it was time for your government when you were in power, to do the right thing and to redo the act.

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, I cannot help but rise because the hon. member from the NDP indicated and referred to the actuarial report. I think he has to give credit to whom credit is due. I do not like to claim credit personally but certainly it is on record that it was I, as the Official Opposition critic for National Health and Welfare, who recommended to the legislative committee examining this bill that we invite an actuarial expert to speak on the actuarial report.

Following that submission, the government tabled that report in the House a few hours ago so that the same report can be discussed at the legislative committee. I am glad that my hon. colleague brought this to the attention of the House. It was the initiative of the Liberal Party that brought to light that report at the legislative committee.

In terms of the procedure that we should wait because the report sort of provides a barrier preventing us hearing from the NDP, I do not think so. The Chair has ruled that this motion is in order and therefore within the purview of Parliament to pass it if it wills it.

Let us not sort of blame someone. Actually, I am at a loss as to why the NDP would blame the Liberal Party and at the same time admit that amendment we have proposed is an excellent one. That is paradoxical. No average Canadian citizen will see the reason for that kind of debate. Either it is good or it is not good. If it is excellent as he has indicated it is, then it must be supported. He has indicated he will support it. Why then blame someone who has proposed a motion that is excellent?

In all modesty, the Liberal Party, the Liberal caucus, has taken the lead on pension reform. The Liberal Party is about genuine reform.

In terms of the comment of the hon. member that he would support the bill, I would certainly thank him as well and I would like the parliamentary secretary to equally support this amendment on behalf of government.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I would like to react to the New Democratic Party member's comments earlier.

Like my colleague from Winnipeg, I wondered why the member would say these are great amendments and then call the action a farce at the same time. It seems to me that this is the highest court in the land for pension reform in this country. If I understand the process correctly, and if we have almost unanimous consent for most of these amendments, it would seem rather strange to me that all of those provinces would ignore all of these recommendations. It is up to us to take the initiative here.

The member for Don Valley East who this week put forward a fabulous motion which we all agreed to and all supported, every member in the House, is certainly not worried today whether the province of Ontario is going to say no to that amendment because I could not imagine the province of Ontario, on such a fundamental issue, going against the unanimous consent of this House.

I know we tend to be a little intimidated by the provinces in this House because we have given them so much power in the last seven or eight years, but I think we have to start realizing that this is the national chamber for Canada. I think it is time, when we all get together on some fundamental issues and we all agree on them, we then say to the provinces: "Listen, we have got the political will here and we want you all to follow suit".

That is where I come from on the relationship with the provinces, especially when we all seem to be in accord.

I want to go back to my colleague from Cape Breton Island's remarks earlier. He is so right on the money. I have heard in the last three months of a case in which a man has been waiting for almost three years to get his disability pension processed.

• (1130)

I went to his home and visited him. The man has some 37 different breaks in his body. He is on two canes. He is obviously disabled and it seems to me that there has to be a situation created in this bill in which timeliness is really respected.

One of the greatest problems we have in this town is what I call the "mad " treatment, which we get so often from public officials. "Mad" for me means maximum administrative delay.

I must tell you that in an issue like this in which families are depending on that cheque for their groceries, never mind their Christmas presents, and to keep their heat on or to keep their rent going, it is very tough to understand why public officials give these disabled applications what I call the "mad" treatment, maximum administrative delay.

Somehow, as we are crafting this legislation, this amendment has to be worked into the bill so that public servants who administer this law understand that while they may be pushing paper there is deep pain at the other end.

My colleague from Cape Breton said this so well earlier. I would not call it dramatic when he is talking about fact, when he is talking about the numerous cases in which the paper just sits and sits and sits. It is one month then two, and then it is one year, then three. Somehow we have to get the system moving more quickly.

I would urge the parliamentary secretary to please consider this amendment seriously.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I would like to add my words of support to the amendment that was introduced by my colleague, the hon. member for Cape Breton—East Richmond, and to which he so eloquently spoke a few minutes ago.

My colleague is right and he was not over-dramatizing the suffering that occurs with people who are disabled and who are waiting and waiting for some answer from the government concerning whether they are going to get their disability benefits.

Let us look at it from the point of view of so many people who come to my constituency office, to his constituency office and to the constituency offices of virtually every member in this House to find out what is happening with their claims, with their applications, for disability benefits.

Many people who are disabled do not come unless they sincerely believe that they are disabled because for them, very often, it is a real source of shame to have to admit that they are disabled and that they have to go for help.

These people have all kinds of time to think about their condition and to wait for the answer. The torture of their condition is augmented each day they wait and do not hear an answer. They have to go and find out by calling their local MP or by making the long trip to a Canada pension office to find out what is happening with their claim or their appeal.

For people in rural areas that is a long trip. That is a great deal of inconvenience for them.

This causes great suffering and great stress in addition to the stress that the disability—or the knowledge that one is potentially not quite disabled enough to satisfy the law—has on the problems that these people face.

My colleague from Cape Breton—East Richmond is not exaggerating. The suffering caused by these delays is real. The human costs are incalculable. It behoves a government concerned about its people and those who are least able to take care of themselves to be concerned with providing service. It behoves the government concerned with that to do all it can to ensure that these delays are minimized to the maximum extent possible.

I think that this amendment is a very useful way of disciplining the government and disciplining the bureaucracy which does its best. They are dedicated civil servants who work hard and who have the concerns of those people that come before them in the form of an application or an appeal. They have those concerns at heart.

They have piles of other work to do. If there is no discipline such as that which a deadline always imposes, it is very easy for these delays to perpetuate. It is a natural part of the bureaucratic process that if it is not the most important thing on your agenda that particular day then it will wait. The person at the other end of the file, the claimant, the unwed mother, or the senior citizen, or the disabled person who is home waiting to hear from the government is there without an answer.

I think the discipline which Motion No. 5A provides to the government and to the bureaucracy is very healthy. It also signals a priority. It tells the people of Canada that this government is concerned and has their welfare first and foremost in the administration of the services that it provides. The most crucial service is a basic source of income for people who are in one way or another unable to work or provide that income for themselves.

I would hope that the government would support this amendment and would impose this discipline on itself. I would ask the government and all the members opposite to consider if there is any doubt about whether or not it will support these amendments. It should ask itself what is the signal that it will send to Canadians if it refuses to impose this very modest discipline of a 30-day turnaround on itself.

What the signal will be is that there are other priorities more important than providing prompt and efficient service to those Canadians who need that service. When they come forward with a claim for disability benefits or pension benefits of that kind that ought to be the government's first and foremost priority. If the government does not accept this amendment I would suggest that the signal that the government is sending to millions of Canadians who are in this situation every day is that something else is more important than their welfare. I think that would be a tragic signal for any government to send to its citizens.

Mr. Ron MacDonald (Dartmouth): Madam Speaker, I want to first off say that I commend our House leader, the member for Cape Breton—East Richmond. We go back a long way. His interest in Canada pension and the process is well founded.

Back in 1980 he was just a rookie and I was just a pup. I actually worked in his office. I can tell this House the reason that this amendment is being brought forward. The coal fields of Cape Breton are a dangerous place to work. There are a lot of individuals who see their useful working lives shortened because of the extreme difficulties that they find themselves in because of the health problems that came from working bent over two miles underneath the ocean when old No. 26 was together and still operating.

• (1140)

Those individuals came from working class backgrounds. They did not have money in the bank. They did not have rich relatives that could come and look after them if they became disabled. They did not have wealthy annuities that they had put aside for dark days or for rainy days. They were plain, simple, hard-working individuals.

I do not think I was in the office of the hon. member for Cape Breton—East Richmond longer than a day back in 1980 when the first case came in and that first case dealt with Canada Pension Plan disability. I did not know very much about the system then but did I ever learn quickly. There were a lot of individuals there who had paid into the Canada Pension Plan and unfortunately had to avail themselves of those particular provisions for disability payments.

It is very easy for all of us to be smug up here in our ivory towers in Ottawa while we debate other issues that are equally important. It depends on who is speaking to the issue. As for these types of amendments—particularly the amendment that has been proposed by the member for Cape Breton—East Richmond—it is fine for us to say: "The government didn't think of it so we are not going to really do it right now". Besides it does not really affect a lot of people.

I am going to tell you, Madam Speaker, it affects an awful lot of people. You should see an individual that has been stripped of dignity, who has to sit in front of a member of Parliament or assistant to a member of Parliament, or any official and literally beg: "Please, can you make the one phone call and see what is happening here. I have no food for my children. I have nowhere to live. I cannot pay my modest mortgage payments anymore. Please, please see what you can do".

It is fine for us to sit here. The way that this place works is a little sickening at times. We have tried our very best. It is a little sickening at times because sometimes we get a little too partisan in here. Sometimes members of the opposition such as our House leader put forward amendments which are reasoned, appropriate, practical and which fix problems with bills and makes better legislation. Then government members opposite sit there and say: "It may be a good idea and I know it will benefit my constituents and I know it is not going to have an undue draw on the treasury of the country, and I know it will make a better bill but I cannot support it because it did not come from my side of the House".

We have talked a lot in the last little while about decorum in this place and we have talked a lot about what it is that we do here and why we do not have the

respect of Canadians. It is because what we do here is not always in the best interests of Canadians.

What this amendment seeks to do in a very small way in that respect is to change the opinion that Canadians have of what we do here. It sees a flaw and it sees an easy way to fix it by amending this particular piece of legislation that is before us.

Every member here has had the same experience as I have had as a member of Parliament or as an assistant to a member of Parliament. Every one of us here has seen those people who are down on their luck who come into our offices and strip themselves of their dignity and cry at our desk because they do not have money. They are eligible for a program but because the bureaucracy is not allowed to move as quickly as it could and wants to, you have to tell them they have to wait another 45 days before anything can be processed on their application. You tell them they have to go and stand in that ever-increasing line-up at the welfare office. What is happening in welfare offices in places like Dartmouth and Glace Bay and Toronto and Montreal is that the municipalities do not have the money any more. Two million people have been forced on to municipal welfare in this country.

First the individual feels bad because they cannot contribute because they are ill or because they cannot work. They do not feel they can contribute. They make an application for a benefit they deserve, that they paid into and that most likely they will qualify for. In the interim they might as well be on Mars. They become a part of that faceless, hopeless group of Canadians who are pushed away from the table when they fall on hard times.

The amendment that is put forward here will seek a redress and relatively quickly. It will demand that the application process be speeded up. It will allow those individuals to maintain their dignity, those who find themselves for whatever reason unable to pursue gainful occupation and making an application to Canada pension.

I look across at the parliamentary secretary over there and I know she is listening and I am sure she has the same concerns. We all deal with people. We are here to work for the people. We are here to ensure that we have legislation that is responsive to the needs of the people. There are people out there who face a bleak winter. There are people out there who face bleak springs, summers and falls.

This amendment is a minor thing. It is not going to break the bank. This minor amendment would significantly shorten the period of response and would allow those individuals who need the help the most to be processed in an expeditious manner. The decision can be handed down and they can get on with their lives.

I hope this amendment is not dismissed out of hand. I hope everybody out there watching understands what we are talking about. We are talking about instilling a little bit of fairness into a piece of legislation. This is not a partisan thing. Fairness should know no political boundaries in this House.

What the hon. member for Cape Breton—East Richmond has simply sought to do is to instil a little bit of sanity into how we do our business. He has pointed out an obvious problem with the Canada pension legislation. He has put forward a very doable situation. This is a fundamental issue of human dignity which we are addressing with this amendment. As we vote on this later I hope when we look around this House that we will see our responsibilities to our own constituents and to every Canadian, most particularly those Canadians who need this legislation. I hope we will not fall into our old partisan jackets, suits and dresses and defeat this amendment which will improve this bill and make us all feel that we have served our constituents a little better.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, I listened very carefully with regard to these amendments by the hon. member for Cape Breton—East Richmond.

First, I really want to commend by colleague from Kootenay East with regard to his contributions at the committee level. Madam Speaker, what you said a few minutes ago about voting these four or five amendments as a group was an explanation of the procedure. There are a lot of us who do have common concerns and would like to see the changes. In order to have those go through the system it does take time.

I share your concerns that we give hopes and prayers for people out there when the system takes longer than we all want it to take.

The hon. House leader for the Official Opposition made some very kind comments about the public servants in the Department of National Health and Welfare. I will certainly see that those remarks are forwarded.

We have all been talking abut the time it takes for decisions to come out of Health and Welfare on CPP. It is an extremely important issue.

• (1150)

While it is a very important issue it works both ways. If there is a decision that should be made very quickly, perhaps fairness and in-depth consideration have not been given. If indeed it takes too long then we do have people suffering, as many of my colleagues have mentioned today.

The one thing we have to remember is that the people opposite who have been speaking assume that a 30-day decision on disability cases will come out in favour of the client or the applicant. Indeed what I want—and I think most of us want it—to see is that we do everything possible through the administration to prevent any unfairness, any lack of qualifications. We seek the greatest possible way to make sure that the maximum benefit is applicable to the person applying.

While I am concerned about these amendments today I cannot support them. However, I will certainly give the House my word that we will do everything possible to speed up the decisions.

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: The question is on Motion No. 5A and this vote will apply to Motions Nos. 9A, 13A and 14A. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

Madam Deputy Speaker: Pursuant to Standing Order 76(8), a recorded division on the proposed motion stands deferred.

The House will now proceed to the taking of the deferred divisions at the report stage of the bill now before the House.

Call in the members.

After the ringing of the bells:

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Madam Speaker, there was an amendment, Motion No. 8, which was standing in my name. Unfortunately, I was in the transport committee and did not get here in time to speak to it.

I am wondering if I could have unanimous consent of the House to permit Motion No. 8 to be voted on. I believe it was part of a package of motions which had been found to be in order and would have the effect of opening up the rules somewhat for disabled Canadians who would receive a disability pension but for the passage of time, because of their failure to apply in time. It would open things up somewhat for them.

I would appreciate the indulgence of the House if that amendment might be included in the package to be voted on.

Mrs. Sparrow: Madam Speaker, I recognize my colleague for Swift Current—Maple Creek—Assiniboia was not in the House this morning. He made a full presentation to the legislative committee and this information will go on to the minister.

I am sorry, at this time we cannot accept his request.

Some hon. members: Shame.

Madam Deputy Speaker: Order, please. I have listened to the hon. member for Swift Current—Maple Creek—Assiniboia. It is a fact that his Motion, No. 8 was to be debated and voted upon separately. Unfortunately the hon. member was not in the House and the motion was not put to the House. The hon. parliamentary secretary has refused unanimous consent for this motion to be put to the House.

Some hon. members: Shame.

Some hon. members: Order.

Madam Deputy Speaker: The first question is on Motion No. 4A.

The House divided on Motion No. 4A (Mr. Dingwall) which was negatived on the following division:

(Division No. 84)

YEAS

Members

Anawak
Arseneault
Axworthy (Winnipeg South Centre)
Bellemare
Bevilacqua
Boudria
Brewin
Campbell (South West Nova)
Copps
de Jong
Ferguson
Fisher
Fontana
Fulton
Gagliano
Gauthier
Harb
Heap
Karpoff
Kilger (Stormont—Dundas)
Kindy
LeBlanc (Cape Breton Highlands—Canso)
MacDonald (Dartmouth)
MacWilliam
Manley
Martin (Lasalle—Émard)
McGuire
Milliken
Murphy
Nowlan
Pagtakhan
Parker
Phinney
Prud'homme
Rocheleau
Stewart
Taylor
Volpe
Wilbee
Young (Beaches—Woodbine)—79

Angus
Assad
Bélair
Benjamin
Blackburn (Brant)
Breaugh
Butland
Catterall
Crawford
Dingwall
Finestone
Flis
Foster
Gaffney
Gardiner
Grey (Beaver River)
Harvey (Edmonton East)
Kaplan
Keyes
Kilgour (Edmonton Southeast)
Laporte
Lee
MacLaren
Maheu
Marleau
McCurdy
Mifflin
Mills
Nault
Nunziata
Parent
Peterson
Proud
Riis
Rodriguez
Stupich
Vanclief
Whittaker
Wood

NAYS

Members

Anderson
Atkinson
Belsher
Blackburn (Jonquière)
Bourgault
Brightwell
Cadieux
Cardiff
Champagne (Champlain)
Chartrand
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Côté
Crosby (Halifax West)
Darling
Della Noce
Domm
Duplessis
Feltham
Fretz

Andre
Beatty
Bertrand
Blenkarn
Boyer
Browes
Campbell (Vancouver Centre)
Chadwick
Charest
Clark (Yellowhead)
Clifford
Collins
Cooper
Corbett
Crosbie (St. John's West)
Danis
de Cotret
Dick
Dorin
Fee
Ferland
Gray (Bonaventure—Îles-de-la-Madeleine)
Greene
Gustafson
Harvey (Chicoutimi)
Hockin
Horner
Hughes
James
Johnson
Landry
Larrivée
Loiselle
MacKay
Marin
Mayer
McLean
Monteith
Nicholson
O'Kurley
Plourde
Pronovost
Reimer
Richardson
Schneider
Scott (Hamilton—Wentworth)
Sobeski
Sparrow
Tétreault
Thorkelson
Tremblay (Lotbinière)
Vézina
Vincent
White
Assiniboia)
Worthy—110

Guilbault
Halliday
Hawkes
Hogue
Horning
Jacques
Jelinek
Koury
Langlois
Lewis
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
McCreath
Merrithew
Moore
Oberle
Paproski
Porter
Redway
Ricard
Saint-Julien
Scott (Victoria—Haliburton)
Shields
Soetens
Stevenson
Thompson
Tremblay (Québec-Est)
Van De Walle
Vien
Weiner
Wilson (Swift Current—Maple Creek—
Winegard

.PAIRED MEMBERS

nil/aucun

Madam Deputy Speaker: I declare Motion No. 4A lost.

[*Translation*]

Mr. Gagliano: Madam Speaker, I think you will find there is unanimous consent for applying the results of the vote just taken on motion No. 4A to motions Nos. 7A, 5A, 9A, 13A and 14A.

[*English*]

Mr. Wilbee: Madam Speaker, I would vote in favour of 7A but against all the other motions. I would vote in favour of the bill.

Madam Deputy Speaker: Is there unanimous consent for those votes to be applied?

Some hon. members: Agreed.

The House divided on Motion No. 7A, which was negatived on the following division:

(Division No. 85)

YEAS

Members

Anawak
Arseneault
Axworthy (Winnipeg South Centre)
Bellemare

Angus
Assad
Bélair
Benjamin

Bevilacqua
Boudria
Brewin
Campbell (South West Nova)
Copps
de Jong
Ferguson
Fisher
Fontana
Fulton
Gagliano
Gauthier
Harb
Heap
Karpoff
Kilger (Stormont—Dundas)
Kindy
LeBlanc (Cape Breton Highlands—Canso)
MacDonald (Dartmouth)
MacWilliam
Manley
Martin (Lasalle—Émard)
McGuire
Milliken
Murphy
Nowlan
Pagtakhan
Parker
Phinney
Prud'homme
Rocheleau
Stewart
Taylor
Volpe
Wilbee
Young (Beaches —Woodbine)—79

Blackburn (Brant)
Breaugh
Butland
Catterall
Crawford
Dingwall
Finestone
Flis
Foster
Gaffney
Gardiner
Grey (Beaver River)
Harvey (Edmonton East)
Kaplan
Keyes
Kilgour (Edmonton Southeast)
Laporte
Lee
MacLaren
Maheu
Marleau
McCurdy
Mifflin
Mills
Nault
Nunziata
Parent
Peterson
Proud
Riis
Rodriguez
Stupich
Vanclief
Whittaker
Wood

NAYS

Members

Anderson
Atkinson
Belsher
Blackburn (Jonquière)
Bourgault
Brightwell
Cadieux
Cardiff
Champagne (Champlain)
Chartrand
Clark (Brandon—Souris)
Cole
Cook
Corbeil
Côté
Crosby (Halifax West)
Darling
Della Noce
Domm
Duplessis
Feltham
Fretz
Greene
Gustafson
Harvey (Chicoutimi)
Hockin
Horner
Hughes
James
Johnson
Landry
Larrivée
Loiselle
MacKay
Marin
Mayer
McLean
Monteith

Andre
Beatty
Bertrand
Blenkarn
Boyer
Browes
Campbell (Vancouver Centre)
Chadwick
Charest
Clark (Yellowhead)
Clifford
Collins
Cooper
Corbett
Crosbie (St. John's West)
Danis
de Cotret
Dick
Dorin
Fee
Ferland
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hawkes
Hogue
Horning
Jacques
Jelinek
Koury
Langlois
Lewis
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
McCreath
Merrithew
Moore

Nicholson
O'Kurley
Plourde
Pronovost
Reimer
Richardson
Schneider
Scott (Hamilton—Wentworth)
Sobeski
Sparrow
Tétreault
Thorkelson
Tremblay (Lotbinière)
Vézina
Vincent
White
Assiniboia)
Worthy—110

Oberle
Paproski
Porter
Redway
Ricard
Saint-Julien
Scott (Victoria—Haliburton)
Shields
Soetens
Stevenson
Thompson
Tremblay (Québec-Est)
Van De Walle
Vien
Weiner
Wilson (Swift Current—Maple Creek—
Winegard

.PAIRED MEMBERS

nil/aucun

Madam Deputy Speaker: I declare the motion lost.

I declare the motion lost.

The House divided on Motion No. 5A, which was negatived on the following division:

(Division No. 86)

YEAS

Members

Anawak
Arseneault
Axworthy (Winnipeg South Centre)
Bellemare
Bevilacqua
Boudria
Brewin
Campbell (South West Nova)
Copps
de Jong
Ferguson
Fisher
Fontana
Fulton
Gagliano
Gauthier
Harb
Heap
Karpoff
Kilger (Stormont—Dundas)
Kindy
LeBlanc (Cape Breton Highlands—Canso)
MacDonald (Dartmouth)
MacWilliam
Manley
Martin (Lasalle—Émard)
McGuire
Milliken
Murphy
Nowlan
Pagtakhan
Parker
Phinney
Prud'homme
Rocheleau
Stewart
Taylor
Volpe
Wood

Angus
Assad
Bélair
Benjamin
Blackburn (Brant)
Breaugh
Butland
Catterall
Crawford
Dingwall
Finestone
Flis
Foster
Gaffney
Gardiner
Grey (Beaver River)
Harvey (Edmonton East)
Kaplan
Keyes
Kilgour (Edmonton Southeast)
Laporte
Lee
MacLaren
Maheu
Marleau
McCurdy
Mifflin
Mills
Nault
Nunziata
Parent
Peterson
Proud
Riis
Rodriguez
Stupich
Vanclief
Whittaker
Young (Beaches —Woodbine)—78

S. O. 31

NAYS

Members

Anderson	Andre
Atkinson	Beatty
Belsher	Bertrand
Blackburn (Jonquière)	Blenkarn
Bourgault	Boyer
Brightwell	Browes
Cadieux	Campbell (Vancouver Centre)
Cardiff	Chadwick
Champagne (Champlain)	Charest
Chartrand	Clark (Yellowhead)
Clark (Brandon—Souris)	Clifford
Cole	Collins
Cook	Cooper
Corbeil	Corbett
Côté	Crosbie (St. John's West)
Crosby (Halifax West)	Danis
Darling	de Cotret
Della Noce	Dick
Domm	Dorin
Duplessis	Fee
Feltham	Ferland
Fretz	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hockin	Hogue
Horner	Horning
Hughes	Jacques
James	Jelinek
Johnson	Koury
Landry	Langlois
Larrivée	Lewis
Loiselle	MacDougall (Timiskaming)
MacKay	Malone
Marin	Martin (Lincoln)
Mayer	McCreath
McLean	Merrithew
Monteith	Moore
Nicholson	Oberle
O'Kurley	Paproski
Plourde	Porter
Pronovost	Redway
Reimer	Ricard
Richardson	Saint-Julien
Schneider	Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)	Shields
Sobeski	Soetens
Sparrow	Stevenson
Tétreault	Thompson
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Van De Walle
Vézina	Vien
Vincent	Weiner
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Winegard	Worthy—111

.PAIRED MEMBERS

nil/aucun

Madam Deputy Speaker: I declare the motion lost.

I therefore declare Motions Nos. 9A, 13A and 14A lost.

Hon. Harvie Andre (for the Minister of National Health and Welfare) moved that the bill be concurred in.

Motion agreed to.

Madam Deputy Speaker: When shall the bill be read the third time? By leave, now?

On a point of order, the hon. parliamentary secretary.

Mr. Cooper: Madam Speaker, I believe that you will find consent for the House to call it one o'clock and that we would then pick up third reading of this bill immediately following Question Period.

Madam Deputy Speaker: The House has heard the motion as presented by the parliamentary secretary. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Madam Deputy Speaker: It being one o'clock p.m., I do now leave the chair until two o'clock p.m.

At 12.40 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

MEMBERS' EXPENSES

Mr. Guy St-Julien (Abitibi): Mr. Speaker, last week, acting on behalf of the Board of Internal Economy, you tabled the report of the Auditor General on the audit of the House of Commons administration.

On the whole, the report is quite positive about the administration of the House. However, the Auditor General had several comments on members' expenses. For instance, an allowance of 64 travel points is not much of an incentive for restraint. Telecommunications are another major area where there is very little incentive to cut down.

Every year the House publishes in the Public Accounts a statement of the indemnities, allowances and travel expenses of members of the House of Commons, but this represents only 37 per cent of members' expenditures. According to the report, there should be greater public disclosure of members' expenditures.

Today I am the only member in the country to disclose my privileged and budgetary spending. My constituents are very proud of my decision, and there is no reason why hon. members should not opt for voluntary disclosure.

* * *

[*English*]

TAXATION

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, the Minister of National Revenue says that there are $8 billion in unpaid taxes. If he is so sure, why has he been so negligent in their collection? After seven years of tolerating this delinquency he will now leave no stone unturned to get what is owing.

What has he been doing all of this time? Why is he establishing a target of only $160 million for collection? Perhaps he is not giving the real picture.

Last year the government was able to make good its claim on only 47 per cent of taxes under appeal. Delinquency was not a factor in those claims. Thirty-eight per cent of all claims adjudicated went completely against the department.

What the minister really wants is money up front for claims in dispute, knowing full well that most of that money will have to be returned to the taxpayer.

Let him instead go after the non-filers and freeloaders his negligence has created. While he is at it he should also make his department more responsive to small manufacturing retailers like St. Germain Framing that has been waiting for six months for a GST rebate application on its inventory. In its case the department's sluggishness is causing a double taxation and a restriction of cash flow.

Perhaps the minister should stop talking and start doing.

* * *

THE CONSTITUTION

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, in my riding of Sarnia—Lambton there has been a great deal of interest generated over the federal government's constitutional proposals: *Shaping Canada's Future Together*.

For example, I have expressed my support for a constituent assembly spearheaded by local constituents and involving participation from various segments of our community.

All members of the House will be pleased to know that the Sarnia—Lambton constituent assembly is now up and running and will be holding a number of group discussions in ensuing weeks. As well it will be holding information booth sessions in the malls throughout our area. It will give citizens in Sarnia—Lambton a chance to offer suggestions and solutions to our constitutional challenges.

I plan on making the constituent assembly's report known to the constitutional committee and hopefully to all of Parliament. I feel it is incumbent upon all members of Parliament to encourage this kind of group discussion in their ridings.

This is an opportunity for Canadians to participate. This opportunity must be promoted and supported by all members of Parliament.

* * *

THE CONSTITUTION

Mr. Bob Wood (Nipissing): Mr. Speaker, in line with my colleague who just spoke, last week I had not only the privilege but the duty of hosting several constitutional forums in my riding of Nipissing.

The forums were held to solicit the opinions of my constituents on a wide range of constitutional issues and to seek possible solutions to the difficulties confronting our country.

There were several points that emerged from these hearings. Canadians are very patriotic and optimistic people who believe that we can solve our problems together. They want a united country with a strong, federal presence and they are growing increasingly cynical of political machinery that spends millions of dollars travelling the country only to intimidate the people we most need to hear from, the average citizen.

In organizing and hosting these forums my role was to facilitate dialogue in a cost effective way. I was not there to argue or debate the views of my constituents. I was there to listen. For our system of democracy to function as effectively as it can we must know the wishes of the people we represent before we can speak on their behalf.

It is up to us as politicians to restore the confidence of Canadians in our institutions and to do this, we must make representative democracy what it was truly meant to be. At this crucial juncture in our history I would encourage all parliamentarians to do one thing, and that is listen to the people.

* * *

CANADA POST

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, I have recently received several letters of concern regarding the closure of rural post offices. Many of my constituents are worried about the fate of local postmasters and the future accessibility of postal services. They are also concerned about the future identify of their communities.

Rural post offices have added a great deal to the life and growth of rural communities in Canada. They have often become the hub or the focal point of small towns.

I ask that the government carefully consider the unique realities of rural communities in Canada before utilizing the rural conversion program and closing the traditional post offices.

* * *

WOLVERINE COPPER

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, another Canadian branch plant bites the dust.

Wolverine Copper, western Canada's only tubing manufacturer, has thumbed its nose at the Canadian government, shut down and shipped out to greener pastures. Despite repeated appeals from the workers, this government sat on its hands and allowed 175 British Columbian jobs to go down the tube.

The Alabama based company will now service the western Canadian market from its U.S. operations. It is tragic that this government refused to use its legislative powers to force the sale of the B.C. plant. It refused to assist in a financial restructuring to help preserve B.C. jobs.

But when unemployment goes up in Quebec, this same government coughs up a much needed $160 million financial aid package. While B.C. workers and prairie farmers go home empty handed Quebec's needs are met. Is this fair? It is no wonder western Canadians have become so cynical toward this government.

* * *

[*Translation*]

LIBERAL PARTY OF CANADA

Mr. Guy Ricard (Laval–Ouest): Mr. Speaker, on the weekend, in its search for new ideas, the Liberal Party of Canada met in Aylmer to listen to what Canadians had to say about economic recovery. A number of clear messages came out of this meeting and were well received by the federal leader, who wants to make them part of his election platform; education, economic development, competitiveness, reducing the deficit, reform of political institutions, consistent policies, and so forth.

It is too bad it took the Liberals seven years to recognize the fact that the Progressive Conservative Party's policies are sound. Hon. members will recall that as soon as he came to power in 1984, the Prime Minister announced those same policies, for the greater benefit of Canadians. At the time, his ideas were not revolutionary but realistic, reflecting his great vision. The Liberals finally got the message. There are still a few dissidents, but I hope their leader will be able to convert them.

* * *

FIGURE SKATING

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, for the third time since the first championships in 1976, Canada is hosting the World Junior Figure Skating Championships. This week, 118 of the world's best young skaters from 26 different countries, including our own Canadian champions, Netty Kim and Jeffrey Langdon, will compete at the Robert Guertin arena in Hull, Quebec.

• (1410)

[*English*]

Last night Caroline Haddad and Jean–Sebastien Fecteau of Montreal captured the silver medal in the pairs free skating program. This was the first time since 1981 that a Canadian duo won a world junior medal in the pairs competition.

[*Translation*]

The Canadian Figure Skating Association, with the support of 300 volunteers from the national capital area, has been working very hard to make the latest championships a success.

I am sure hon. members will join me in thanking the organizers and sponsors of this event, and wish our young Canadian skaters good luck and extend a cordial welcome to all participants.

* * *

CROSS-CANADA REFERENDUM

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, the government has decided not to hold a referendum. This decision is part of the constitutional debate saga. This retreat can be explained by the almost unanimous opposition from Quebec to such an initiative. However, vigilance is still in order because this government is not known for keeping its word.

Some Conservative members, including a woman minister, and the only NDP member from Quebec understood that Quebecers would never allow the future of Quebec to be decided anywhere but in Quebec.

Among the Liberals, only John Turner opposed this plan. It is not surprising that Jean Chrétien ranks behind Robert Libman in terms of the confidence he inspires in Quebecers.

Bloc Québécois members will always defend Quebec's right to self-determination, thus echoing the opposition of the Quebec National Assembly, which recognizes that Quebecers alone have the right to decide Quebec's future.

If this government wants to consult Quebecers and Canadians, let it call an election. Quebecers will then be able to choose real representatives rather than flip-flop artists like Chrétien and Mulroney.

* * *

CANADIAN FOUNDATION FOR ILEITIS AND COLITIS

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, I want to inform the House that November is officially Ileitis and Colitis Month. More than 200,000 Canadians suffer from this condition which affects the intestinal tract.

I would like to take this opportunity to emphasize the important work being done by the Canadian Foundation for Ileitis and Colitis and thank them for their dedication.

The foundation is a non-profit organization, committed to medical research and to educating patients, health professionals and the public in general. The foundation has over 9,000 members spread over a number of chapters across the country.

Health and Welfare Canada is pleased to be able to contribute to the goals of the foundation through its operating grants program for volunteer organizations. The funds received by the foundation are used to develop and improve a host of public awareness and education programs organized by local chapters.

The executive, support staff and the many volunteers of the foundation are to be commended for their excellent work and dedication.

* * *

OFFICIAL LANGUAGES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, *l'Association des parents francophones*, *l'Association canadienne d'éducation de langue française*, *la Fédération des enseignants et enseignantes du Canada*, *la Fédération des jeunes Canadiens français*, and *la Fédération nationale des commissaires scolaires de langue française* have just sent a telegram to the Minister responsible for Constitutional Affairs, asking the minister to accede to their request for a constitutional committee or conference on the future of official language communities.

At this critical moment in our history, it is high time the federal government took concrete action to recognize the importance of Canada's linguistic duality and acceded to this entirely legitimate request as soon as possible.

* * *

[*English*]

DARYL BEAN

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, it is reported that Daryl Bean wrote to three ladies, members of PSAC, calling them scabs. Then he went on to say: "After God had finished the rattlesnake, the toad and the vampire, he had some awful stuff left with which he made a scab. A scab is a two-legged animal with a corkscrew soul, a water-logged brain, and a backbone of jelly and glue. Where others have hearts, he carries a tumour of rotten principles. No man has a right to scab as long as there is a pool of water to drown his carcass in or a rope long enough to hang his body with".

When it suits them members of the New Democrat Party take a stand on issues affecting women. What stand do New Democrats take on their vice-president's letter?

* * *

FUR INDUSTRY

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, it is my pleasure to rise today to inform the House and all Canadians that November is fur month.

The fur industry is pivotal to both the aboriginal and northern economy and in preserving a traditional way of life.

Of the 105,000 Canadians employed in the fur industry, over 70,000 are aboriginal. The hunters and trappers of Canada continue to practise true sustainable development in keeping with the intrinsic belief that we are an intricate part of our ecosystem.

Thanks to humane trapping, research and careful management, fur bearing animals are as plentiful in Canada as they have ever been. Considering the importance of the fur trade in the history and future of Canada, it is critical that all members support this environmentally friendly industry.

I call upon all Canadians to recognize the importance to both the economy and lifestyle of the north and support our fur industry. Practise conservation and wear fur.

* * *

DARYL BEAN

Mr. Peter L. McCreath (South Shore): Mr. Speaker, Canadians want to know where the members of the NDP stand. Do they stand for the intimidation of union members by union leaders? Do they believe that workers should be threatened by their union leaders? Do they believe that workers should be threatened by their union leaders if they want to go to work? Do they believe in freedom of speech and action within labour unions? Do they believe in the degradation of grandmothers by union leaders? Do they believe that union leaders should keep their word once they have entered into an agreement?

These are the actions of the vice-president of the New Democratic Party of Canada, Mr. Daryl Bean, as he tries to justify the senseless strike he inflicted upon his members to their financial loss and on the Canadian public to their inconvenience.

I call upon the leader of the NDP to say where her party stands and to repudiate the actions of Mr. Bean.

CULTURE

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, given this government's track record in negotiating trade deals, it is not surprising that most Canadians express concern for their culture.

While we watch Canadian cultural property losing ground at the negotiating table, it is being given away under another table. That table is called the Cultural Property Export and Import Act. It exists to preserve in Canada significant examples of our nation's heritage and movable cultural property, a praiseworthy principle.

However, upon investigation one finds that over 95 per cent of all applications to remove distinctly Canadian works of art are approved. That means 95 per cent of these works of art leave Canada.

One example, *Algonquin October*, a painting by Tom Thomson, probably hangs in an American living room. The art gallery of Algoma lost this valuable piece under the guidelines of this act.

Thousands of Canadians have lost the opportunity of enjoying a truly Canadian work of art.

A new bill, C-18, clearly requires dramatic changes if Canadians are to experience and preserve the fruits of their own rich culture.

* * *

DARYL BEAN

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, the vice-president of the New Democratic Party, Daryl Bean, who happens to be president of PSAC union had some news for female federal government workers who served the nation during the recent PSAC strike. He would rather drown you or hang you than allow you to go to work. He said so on his own letterhead to three individual government workers.

Advocating violence against women is unbecoming of all Canadians. It is a shameful and a despicable act of cowardice. Intimidation of this nature belongs in the gutter with the filth and the mire.

Had the vice-president of the Liberal or Progressive Conservative parties made such remarks their resignation would have been demanded by party members and leaders alike.

How dare any NDP member of Parliament ask any question in this House on women's issues as long as Mr. Bean co-leads their party. The New Democratic members opposite must demand Mr. Bean resign.

* * *

CANADA POST

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I rise today to speak of the impending closure of Postal Station A in Saanich, British Columbia.

Economically this station is completely viable. There is a two-year waiting list for postal boxes and revenues are up by 17 per cent this year, despite having over eight contracted out private operations within a three kilometre radius. Customers have experimented with going to private retail outlets, but have returned to Station A because of the superior knowledge of the unionized staff.

Clearly individuals and small businesses in my riding prefer to deal with a real post office.

In Saanich, the effectiveness of a postal station versus privately run outlets has been proven. Canada Post is now proposing to close this revenue generating post office, possibly the most successful in greater Victoria.

I have a suggestion for Canada Post, as well as this government. Rather than fly top executives across the country for the Grey Cup, or lease executive boxes in the SkyDome, take a good hard look at providing top quality service to the customer, the taxpaying citizens of my riding.

Oral Questions

ORAL QUESTION PERIOD

• (1420)

[*Translation*]

CONSTITUTIONAL AFFAIRS

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is directed to the Minister responsible for Constitutional Affairs. This week in Montreal, at a meeting with the *Conseil du patronat* the minister announced that the government was willing to amend its proposals on the economic union. I think everyone agrees it would be useful to revise section 21 of the Constitution, to try and establish a real common market in this country. However, the government is certainly not taking the right approach.

Which of its three proposals—14, 15 or 16—does it intend to change? And does the government intend to inform the House of Commons or the senators and members of the House of Commons sitting on the joint committee of the House of Commons and the Senate which is considering the constitutional proposals? I want to make quite clear to the minister that we do not intend to waste our time considering proposals the government has already rejected.

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, unfortunately, the hon. member's information is once again not quite correct. After a very useful conversation with the *Conseil du patronat*, I told them that I understood their interest in having a situation where the provinces and the federal government, acting as partners, would be able to take initiatives to accelerate Canada's economic union. That was always what we had in mind. I told them that if there seemed to be a difference between what we intended and how it was expressed, we were of course prepared to change the wording. I added that the parliamentary committee was the place where such changes should be considered. The federal government has made certain proposals, and these proposals can be improved. I intend, and I think this is quite normal, to be involved with others in conversations on any potential improvements. The *Conseil du patronat* understands, and I hope the House of Commons does now, that improvements must be made through the Joint Committee.

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I appreciate and am grateful for the minister's explanation. I would now like to ask about a second meeting he had this week, this time with native people, when he more or less promised them a new federal-provincial meeting that would include provincial premiers and native people. The minister will recall that the last time this was tried, Quebec did not attend the conference. Before making this promise to native people, did the minister consult the premier of Quebec to ensure he would be present? If he did not, why is he taking that risk?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, this must be a record, because once again, the hon. member's information is incorrect. Twice in one day.

What I told the native people during a very frank conversation, and despite media reports, the meeting was a constructive one. What I said was that our preference was for a federal-provincial conference. I said that because it is important for the native people to know that if a federal-provincial conference is held, it is essential that they attend. I also said, and these were my words: "that is our preference". However, it would be impossible without a firm and genuine commitment to making changes in several areas. It is an indication of the complexity of the situation, and a commitment to native people to fully involve them in the constitutional process.

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, this was a long answer to avoid telling us whether or not he consulted Premier Bourassa.

[*English*]

As a supplementary question I would like to refer to a statement that the minister made last night on national television. I refer to the part of his interview where he said, talking about First Ministers' Conferences: "We would prefer to have one because we know how to make one of those work".

An hon. member: Behind closed doors.

Mr. Ouellet: He surely does, especially the last one.

I want to know from the minister why he is ready to say yes to a process that involves 11 men behind closed doors and not to say yes instead to a process through a national referendum where all the people of Canada will be participating in this constitutional process.

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, this is really quite extraordinary. If I well understand the position that is being put forward by the spokesman on constitutional matters of the Official Opposition, he appears to be suggesting that an agreement on a Constitution should not include the elected governments of Canada.

Some hon. members: Oh, oh.

Mr. Clark (Yellowhead): Well, he said it should not include the elected representatives in Canada, but should be decided by a national referendum.

Is that the position of the Liberal Party? He might well want to take a look at the language that he used in the question he put. It is the clear implication that I took from it.

We believe it is necessary for there to be some mechanism by which there can be participation by the people of the country in these decisions. We also believe that at some point in time it is going to be necessary for governments to come together and to formally agree with some of the changes that we are discussing here. It is not possible now for any of us to say how that might occur and what exact form that might take.

Certainly it would not be the position of this government to suggest that the role of provinces could be put aside and their place taken by a national referendum.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister responsible for Constitutional Affairs as well.

The minister will know that the provincial governments of Quebec and British Columbia, to name just two, are committed to having referenda in their respective jurisdictions on constitutional proposals.

Will the minister now honour his promise on legislation for a national referendum and allow Canadians from all regions of this country to participate in this most important process of nation building?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): My promise, Mr. Speaker, was that there would be a meeting this week of House leaders to discuss the timetable that the government might have in mind for legislation to give effect to our undertaking in the Speech from the Throne. Of course, we will respect that undertaking.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, the minister will know that at 11 a.m. on Tuesday, November 19, in a meeting with the Leader of the Opposition, in the leader's office, the minister's chief of staff, Jim Judd, the minister agreed to introduce enabling legislation for a national referendum. Among other things, the minister specifically agreed that House leaders would meet this week to agree on a timetable for the passage of enabling legislation for a referendum as soon as possible.

I ask the Minister responsible for Constitutional Affairs why he and the government House leader are denying that undertaking.

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I rarely quote Christopher Young, but let me just quote a portion of his column of today when he says: Committee members "should remind themselves every morning that time wasted on party plots is time filched from the problems of hard-pressed farmers, industrial workers, fishermen and other decent citizens who elected them. Everywhere in Canada now the cry is heard that the constitutional issue must be settled and put behind us. Those who let temptations of partisan advantage stand in the way of that objective can expect to be harshly judged at election time".

• (1430)

I hope the hon. member will remember that.

* * *

GOVERNMENT FUNDING

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, my question is directed to the Acting Prime Minister.

He will recall that for many, many months we have advocated from our party that the government take action to launch an initiative to support the hard-pressed people in Montreal and other parts of Quebec. We are pleased to hear the government's announcement today that through a package of $160 million it is going to ease some of the recessionary pain in that part of Canada.

Yesterday the government turned away farmers by saying there was no more money for them. Two days before Atlantic fishermen were told there was no more money for them. Last week the finance minister said there was no more money to assist children living in poverty in Canada.

What process does the government use when it determines where it sends out initiative packages to assist hard-pressed Canadians?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, I would like to tell my hon. friend from Kamloops that of the $300 million package announced by two of my federal colleagues this morning, the Minister of National Health and Welfare and the Minister of State for Agriculture, and other Quebec ministers, $160 million is federal funds coming from the reserves of the department in question. There will be no new taxes for this.

That is what we are trying to do to help the province of Quebec.

Mr. Rod Murphy (Churchill): Mr. Speaker, my follow-up question is for the minister responsible for western diversification.

The minister is aware that the Core Area Initiative in Manitoba is expiring, that the ACCESS program which provides educational opportunities for native people has expired and that all programs under the northern development agreement which provide infrastructure, employment and training in the part of Canada which has 23 per cent unemployment, the highest of any province of Canada, have expired.

Will the government act in Manitoba as it did in Quebec and provide funding and programs for that region?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, we have acted and will continue to act not only in Manitoba but right across the country, because we happen to be a national government. Where there is a need we attempt to address it.

This kind of questioning, to try to drive a wedge between parts of the country and suggest that one part is getting more than the other, does not do this party any good when it is trying to be a national party.

Some hon. members: Hear, hear.

Mr. Mayer: Part of it is going to go to Quebec. With regard to the core area, we are presently in negotiation with the province and the city to see what we can do to address the need there. With regard to education in the north, we have also had discussions with the province. If I remember correctly, the province has agreed to pick up part of the money it needs to continue with that program this year. It involves one of the native training programs at the University of Brandon. It has had a very good track record.

We will do our very best, through not only my department but the Department of Indian and Northern Affairs, to support this very worth-while initiative.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question involves another hard-pressed region of Canada, the Atlantic provinces, and is directed to the Minister of State for Transport.

The Minister of Transport, in answering a question yesterday, demonstrated just how unconcerned the government is with respect to critical regional economic development issues in Atlantic Canada. All the Atlantic premiers support improvements to the Trans-Canada Highway through New Brunswick. The leading economic think-tank in that region supports and has been pushing for it since 1988.

Why does the government continue to stall in providing direct financial assistance to this critical regional economic expansion development project?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, it might be useful at this point to give some numbers on the major transfers that are made to the provinces and the rate of growth of these transfers to the various provinces. This is very enlightening.

Newfoundland increased from 1984-85 to 1990-91, 7 per cent; Prince Edward Island, 6.9 per cent; Nova Scotia, 6.2 per cent; New Brunswick, 7 per cent; Quebec, 3.7 per cent; Ontario, 7.3 per cent; Manitoba, 7.7 per cent; Saskatchewan, 10.3 per cent; Alberta—

Mr. Speaker: Perhaps the hon. minister could pass those figures across to the opposition.

* * *

[*Translation*]

AGRICULTURE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, of course we in the Liberal Party applaud any initiative that would help the economy of all regions of this country, but we also have a question for the Acting Minister of Agriculture, because the minister is no doubt aware that today, 40,000 farmers across Canada depend on our quota system, a system that is threatened by action currently being taken by the Americans at GATT. Can we expect a commitment from the minister that the interests of Canadian farmers will be supported at the GATT talks and that the Government of Canada will not abandon Canadian farmers to the mercies of the Americans?

[*English*]

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, this question keeps coming up day after day after day. To the extent that it gets raised it causes uncertainty for farmers that they do not need.

The government's position is very clear. We have two ministers in Geneva this week making our case on behalf of marketing boards. About 70 per cent of the supply management industry in Canada is located in Ontario and Quebec and they are rightfully concerned.

We had with the two ministers in Geneva yesterday representatives of the supply management agencies. They are totally aware of our position. It has not changed. It was developed in total concert with those industries, with some of the producers who were there with us yesterday in Geneva, and it will not be changed unless they ask us to change it. They are telling us they do not want to change it. It will not be changed. It has been the same for a year as when it was put together and it will continue to be that way until the GATT negotiations are complete.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, we will continue to ask questions because there are 40,000 Canadian farmers who are depending upon this Parliament and this government to defend their interests at the GATT.

I want to ask the minister: Why it is, when his Prime Minister on two separate occasions intervened directly to his good friend, the President of the United States, that it is the Americans now who are trying to torpedo our marketing boards at the GATT? Why?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): The Americans are in favour of tariffication. We know that and they have said so publicly. Our position is consistent and there are other countries that are supporting us in this. The Japanese, for instance, are supporting us and many of the European countries are supporting us in maintaining article XI.

Our position, to say it again, has not changed. We have allies in this position. We have no intention of changing it. We are making our case as strongly as we possibly can, and I believe that at the end of the day, whatever GATT solution is found to the problems in agriculture, it will include a measure that will protect Canadian marketing boards.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, my question is for the Minister of State for Grains and Oilseeds. It is on the same issue as that of my colleague.

The reason the uncertainty is there is because farmers want to know where they stand and where they are going to stand. The Prime Minister has assured Canadians time and time again that through personal and written contact he has softened the determination of the President of the United States to destroy Canadian marketing boards at GATT.

Today United States negotiators have told us that a deal has been cut between the European Community and the United States. It is not signed but it is cut.

Can the minister guarantee to the 40,000 Canadian dairy, egg and poultry producers that this deal includes a strengthened and clarified article XI?

• (1440)

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): First of all, Mr. Speaker, let me assure the member, everybody in the House and all the people who are connected with supply management across the country that no deal has been cut. We have absolutely no intention of signing a deal if it does not benefit Canadian industry.

I can assure the member that no deal has been cut. He should also know that until everything is agreed to, we will not sign any kind of an arrangement. It is a package deal and no deal has been made. Therefore there has been no deal cut on marketing boards, export subsidies or anything else.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is directed to the same minister.

After weakening our position on supply management of our farm products during the free trade talks, the government gave farmers the assurance that GATT article XI would be reinforced.

Considering the minister's answers here in the House, Mr. Speaker, I would like to ask him this: Do you think farmers will believe your story after you abandoned them during the free trade talks and now we can expect a devastating decision at GATT?

[*English*]

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, with respect, the member is dead wrong when he talks about the free trade agreement. Marketing boards are fully protected in the free trade agreement.

Some hon. members: Oh, oh.

Mr. Mayer: They laugh, but they should also know—

An hon. member: You had better read the agreement.

Mr. Mayer: Somebody says that I should read the agreement. We read the agreement and, as a result of reading the agreement, we established another marketing board for broiler chicken hatching eggs after we signed the free trade agreement. If you want to talk about the free trade agreement with the Americans it is fully protected in our dealings with the United States, Canadian Marketing Boards.

To get back to the other question about strengthening and clarifying article XI, we established that position with producers in the country that depend on article XI. That is our negotiating position and it will remain there unless the people connected with that part of the industry tell us to change it. To date they have not and our position remains the same.

THE ECONOMY

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, my question is for the Acting Prime Minister.

Northern Ontario certainly feels like a voice in the wilderness, a forgotten region of Canada. Unemployment statistics are at record levels, welfare case loads are up 50 per cent in Sault Ste. Marie, and this year there have been 81 business bankruptcies and hundreds of personal bankruptcies in my community alone.

The Sault experience is not alone. Dozens of communities across northern Ontario are facing similar circumstances.

Northern Ontario deserves to be heard. I ask the minister: What economic package will come forward to address northern Ontario's problem of getting out of a recession that this government created?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member is a New Democratic Party member of this Parliament.

The New Democratic Party government of the province of Ontario, together with myself and the Minister of Forestry, announced a program just four weeks ago of $95 million for restoring the economic health and diversifying the base of the economy of northern Ontario, an agreement that was celebrated by the NDP Government of Ontario as well as this Parliament.

* * *

THE ECONOMY

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, 75 per cent of all jobs lost in this recession have been lost in Ontario, chiefly southern Ontario.

Windsor is typical. It has the highest unemployment rate in the country, 13 per cent. Like the rest of southern Ontario its welfare case load has increased by 24 per cent. Because of the deindustrialization of southern Ontario and because of cross-border shopping, our retail sector is in a terrible state of affairs.

My question to the minister is: Are there funds in the reserve fund or some action this government plans to take to correct the situation in Windsor, Chatham, Sarnia, Brantford, Kitchener, Waterloo, Hamilton and the rest of the cities in southwestern Ontario that are hurting?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, we know what the hon. member is trying to do. He is trying to imply that to do something for Quebec and Montreal in particular is somehow wrong. That is really what he is trying to say.

Let us now take a look at southwestern Ontario. We have lower unemployment in southwestern Ontario than we have in other parts of Canada, but also southwestern Ontario has benefited in large measure from a number of federal programs: duty remissions on automobiles. We have just had an opening of a third line at Chrysler in Windsor. Duty remissions on manufacturing equipment, defence spending, this is largely concentrated in southern Ontario. Southern Ontario has been well treated by Parliament for many decades and continues to be.

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GOVERNMENT FUNDING

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for my good friend the Minister of Fisheries.

As he knows, the farmers got $800 million and they deserve that and more. Quebec today gets $160 million and deserves it. He also knows that Atlantic fishermen and plant workers are getting $39 million only.

I ask the minister how he can justify this unfairness, this pittance, this almost sick joke, in his type of language and will he now agree to go back to the well one more time, to go to bat for those fishermen and plant workers and get them the kind of dollars they deserve?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, there is no element of unfairness at all. Never in Atlantic history has so much assistance for fishermen been arranged and given to them as in this present year. The amount is $57 million; $18 million in ice compensation, that has never occurred before and $39 million more to assist those who are suffering from a catch failure.

The hon. gentleman should get to his feet, be honest for a change and congratulate the government for what it has done to assist fishermen.

Mr. Speaker: I would ask hon. members to refrain from making comments that put the Speaker in a position of having to perhaps judge them as unparliamentary.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, the minister knows that no amount of double-talk can hide the truth, which is that he lost the battle in cabinet—

Mr. Speaker: Just a moment. I am trying to do the best I can with both the hon. member and the minister. I am going to need a little help from both of them. The hon. member will put his question.

Mr. Simmons: Why will the minister not admit that he lost the battle in cabinet on this one? He and his colleagues from Atlantic Canada were snowballed.

Now that the Prime Minister has had a change of heart and admitted yesterday that those fishermen and plant workers need a bit more attention, will he get together with the Prime Minister. More specifically, is he now prepared to go back to cabinet with a proposal for increased funding to those people who are in real need down there, including his own riding, so that they will get the kind of dollars they deserve to see them through this winter.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I hope that the hon. gentleman—by the way, I want to help the Speaker all I can. With the group that the hon. Speaker is dealing with, he needs all the help he can get.

I hope the hon. gentleman opposite will be supporting my new proposals for reform in the Department of Fisheries and Oceans so we can get rid of the minutia of giving out licences and making allocations and deciding whether John Brown should have a licence or John Smith should have a licence and help us to spend all our time devising schemes for getting more money out of the rest of the government.

Oral Questions

UKRAINE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

Last August in Edmonton the Prime Minister said and I quote:

> Canada pledges to respect the free and democratically expressed wishes of the Ukrainian people, whatever that decision might be.

We now have the secretary of state saying something quite different and attaching a series of conditions to Canada's recognition of Ukraine.

I want to ask the minister why the government is now reneging on the commitment made by the Prime Minister last August?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, there is absolutely no question of reneging on any commitment that was made.

First of all, we have an historic referendum coming up this weekend that I think Canadians from all backgrounds will welcome.

Second, the Prime Minister made a commitment that we would respect the democratic process. That remains the commitment of the government and that is exactly what we will do.

What we have said is that there are obligations of all nations to sign on to certain principles, including nuclear disarmament through the treaties that have been signed, including conventional forces Europe. The Prime Minister has said that in interviews and so have I. The democratic process will be respected and we are looking forward to seeing the results of what will be a very important day on Sunday.

• (1450)

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, this morning in front of the external affairs committee, the Minister of Foreign Affairs for the Russia Federation said that there have been communiqués and agreements already signed between the President of the Russian Federation and Mr. Kravchuk from Ukraine, which explicitly set out that there will be joint control of nuclear weapons, and Ukraine will control all the arms control agreements.

What is the concern? What is the hold-up? What is the back-tracking on that commitment? Why do the minister and the government not live up to what they said on August 30?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I am very amused because the referendum has not even happened yet. Nobody can renege on anything at this point.

What we are looking forward to is the event on Sunday. We have been totally consistent from the beginning. I too have discussed this with the foreign minister of Russia and with many other people, including our NATO allies and some of our other allies.

There is nothing to renege on until it is over. I think the hon. member is jumping to the conclusion that there will be something reneged on, when there is absolutely no reason to believe that.

* * *

[*Translation*]

CANADIAN UNION OF PUBLIC EMPLOYEES

Mr. Gilbert Chartrand (Verdun—Saint-Paul): Mr. Speaker, my question is directed to the Minister of Labour.

Once again the Canadian Union of Public Employees is in hot water, this time in its aviation division. The minister is no doubt aware of the lock-out of flight attendants at Nationair since November 19 this year, and I am referring to flight attendants based in Montreal and Toronto. The lock-out is due to the fact that the union, after receiving the company's firm offer on November 12, refused to submit these terms to its members at a general meeting, so members can vote on the offer.

Considering the lack of professionalism and lack of good faith shown by union leaders, is the minister considering legislation that would oblige it to submit the offer so that members will have the option of voting a genuine option, I hope to return to work?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, we are now revising Part I of the Canada Labour Code, a process that will probably result in a number of reforms, including one concerning pregnant women working on video display terminals.

As for the hon. member's question, I must say that I was watching very carefully what happened in Toronto, when Premier Bob Rae used a clause similar to the one my colleague would like to see in the Canada Labour Code. For the time being, we are looking into the matter, and I hope to be able to submit a recommendation to cabinet within a few months.

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[*English*]

AGRICULTURE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, my question is for the Minister of State for Grains and Oilseeds.

Today the Vancouver Port Corporation, grain companies, employers' organizations and affected workers all condemned the federal government for creating economic uncertainty in the grain export industry with the shipment of grain out of the port of Seattle.

Will the minister clear up this uncertainty and help the industry by indicating exactly under what circumstances grain will be allowed to move through American ports?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, the hon. member should understand two or three things.

First of all, the Wheat Board assures me that the grain that is moving through Seattle is additional capacity to what would otherwise be moved.

I assume the NDP supports the Wheat Board, so I am taking the Wheat Board's numbers. It means additional sales for Canadian farmers who were yesterday in the gallery. If the hon. member is against that, he is against farmers.

Second, the Wheat Board has also said that this could result in additional work for Canadians because if we can satisfy a customer now when we are booked up to capacity and develop a business relationship with that customer, it means that country may come back again and make additional work for people in Vancouver.

What we are trying to do is what is in the best interest of Canadian farmers. In the process down the road, potentially we will have more work for the kind of people he is concerned about.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, that is not what the release said today.

The Canadian Wheat Board has stated it had to use Seattle because there was no room in Vancouver. It also said that it would be cheaper for farmers if the grain was moved through Seattle. Today's press release states that neither of these statements are in fact correct.

Will the minister advise the Canadian Wheat Board to correct these inaccuracies? Will he direct the Canadian Wheat Board at least to make public the final costs of this cargo diversion.

The Canadian farmer has a right to know, the grain industry has a right to know and the taxpayer has a right to know.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Just to say again, Mr. Speaker, the Wheat Board has advised me that this is additional tonnage that would not be moved if we did not take it through Seattle.

The other thing the hon. member should know, if he is concerned about doing business with the Americans, so far this year we have trans-shipped through transfer houses along the St. Lawrence over a million tonnes of U.S. grain. We regularly do business with the Americans, which creates jobs for Canadians by moving American product. I do not think there is a lot wrong with using U.S. facilities if it helps Canadian farmers now with the potential to make more work for Canadians tomorrow.

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CANADA ASSISTANCE PLAN

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, my question is for the minister responsible for national health and welfare. The government of Manitoba has recently converted the manner in which the provincial tax credits will be paid to welfare recipients. Instead of receiving a lump tax credit as all other Manitobans receive, welfare recipients will now have a portion of the credit included in each monthly social assistance cheque.

My question is simply this. Is this discriminatory practice allowed by the federal-provincial arrangements under the Canada Assistance Plan?

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, that is a very interesting twist and I appreciate my colleague from Portage—Interlake bringing this to our attention.

It is my understanding that the department received some brief information this morning on this particular proposal. As it is quite complex dealing with the Canada Assistance Plan it is going to take some time to directly assess whether proposed supplementary benefits will indeed be replacing the tax credit.

I want to tell you, Mr. Speaker, as well as all my colleagues that the Canada Assistance Plan is very important to each and every one of us. It supports many Canadians and I thank the hon. member for his question.

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PUBLIC WORKS

Mrs. Diane Marleau (Sudbury): Mr. Speaker, my question is for the Minister of Public Works or his replacement here today.

I want to go back to the termination of the contract for the construction of the veterans affairs building in Kirkland Lake. Since termination will result in the loss of more than $800,000 to firms across northern Ontario and since the original developer has now demonstrated his ability to meet Public Works criteria, why does the minister and his department continue to refuse to reconsider and reactivate the original contract?

Mr. Dave Worthy (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the developer who was low bidder on that contract was given the contract in good faith. He indicated to the Department of Public Works that he had financial difficulties.

After two extensions he was not able to produce the bid bond that was required and so the contract was terminated. The discussions were then undertaken with the second bidder and those discussions are continuing in good faith.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, my question is for the same minister.

I want to know the real reason behind this nonsense. Is it because the owner of the second site and the member for Timiskaming just happen to be brothers-in-law?

Mr. Dave Worthy (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I am terribly disappointed because that same member in discussions earlier with me indicated that she knew that that was not a factor in these bids.

Some hon. members: Oh, oh.

Mr. Worthy: I can say, Mr. Speaker, that the brother-in-law is not involved in the development. He is a minor shareholder in a piece of property that may be involved, but I would like to remind the member that this does not do her or her party any benefit by bringing it up this way.

An hon. member: It sure helped the brother-in-law.

Ms. Copps: All in the family.

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TRADE

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Acting Prime Minister. As he will know, Sydney Steel Corporation is suffering because of the countervail imposed by the United States in the amount of 105 per cent against the importation of head hardened rails by Sysco into the United States even though the only other producer in North America is back ordered for 18 months.

France and Japan are now supplying these rails to the United States even though they do not have a free trade agreement with the United States yet Canada cannot.

• (1500)

I want to know what the government is doing to get rid of this countervail so that the Sydney Steel Corporation can compete on an even footing in this United States market.

Hon. William C. Winegard (Minister for Science): Mr. Speaker, one of the reasons we have the free trade agreement is so we can object to the countervails as they are launched against us and that is exactly what we are doing.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the United States needs to import these rails and Sydney Steel needs the market.

Why does the government not take some action to get rid of this countervail and do for Atlantic Canada, and particularly Cape Breton, what it said the free trade agreement would do?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, we are taking action against the countervail. We are doing exactly what you have asked us to do.

* * *

[*Translation*]

AGRICULTURE

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is for the minister responsible for grains. In the last few hours, we were able to observe his colleagues, who had gone to Geneva to meet Mr. Dunkel, leave the meeting on their knees. Indeed, the Minister for International Trade told us that he did not get a lot of support, while the Minister of Agriculture himself said that Canada seemed unable to obtain the support needed to strengthen article XI. He then wonders why farmers are worried.

Since the senior ministers of this government admitted that they were powerless yesterday in Geneva, is the Prime Minister prepared to go himself to ensure that article XI is maintained and strengthened, as they promised in the debate on free trade?

[*English*]

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I do not think anybody came out on their knees, if that is what he is suggesting. I read the transcript of the press conference that both ministers had over there from start to finish. They did have a chance to make their case very explicitly and very directly to the Director General of GATT, Mr. Dunkel, so that they understood Canada's position clearly. I think that is what the member and the people he represents would expect us to do as a government; to represent our people's views as strongly and forcefully as we can.

Our position, as I said, has been developed with the industry and it will continue to be exactly the same as it is until or unless the industry asks to change. If he is saying that we should not go to Geneva and that we should not when we go to Geneva take producers with us because we are not going to get our way all the time, that is not the way you conduct negotiations and that is not the way we have been successful on behalf of Canadian farmers in the past.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I wish to ask a supplementary question. One of your partners, the president of the Quebec farmers' union, recommended that you reject outright the Dunkel report, as France and Ireland did. Can the minister tell me why he considers the Dunkel report to be a basis for discussion, when it means the end of Quebec agriculture?

[*English*]

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, again the member is dead wrong. I read both papers that Mr. Dunkel put out, one I think about November 8 and one last week which was some 30 pages. If you read it carefully, there is no prejudicing of anybody's negotiating position in that paper.

It clearly lays out the parameters under which discussions can take place, but there are also exemptions in there. There are provisions for snap-back. There are all kinds of things to protect marketing boards.

Again, I think it is fair to say that is what the country would expect of us; to make our position just as strongly and as clearly as we can to the appropriate people. That is what we are going and will continue to do.

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[*Translation*]

PRESIDENT OF PUBLIC SERVICE ALLIANCE

Mr. Guy Ricard (Laval-Ouest): Mr. Speaker, my question is for the Minister responsible for the Status of Women. The President of the Public Service Alliance made a statement that shocked many people and which the National Citizens Coalition considered to be violent against women. I would like to know whether the minister intends to ask for his resignation and if not, what does she intend to do to correct Mr. Bean?

[*English*]

Mr. Speaker: The question, while very interesting and perhaps important, does not involve the administration of the government.

* * *

PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw members' attention to the presence in the gallery of His Excellency Andrei Kozyrev, Minister of Foreign Affairs of the Russian Soviet Federative Socialist Republic.

Some hon. members: Hear, hear.

Mr. Dingwall: Mr. Speaker, on a business question to the government House leader, I would like to—

Mr. Speaker: Excuse me for a moment. The hon. member for Cape Breton—East Richmond is seeking the floor for the usual Thursday question. The hon. member for Kamloops I think may have been indicating a part of that on a point of order. I will hear the hon. member for Kamloops.

* * *

POINT OF ORDER

STATEMENTS PURSUANT TO STANDING ORDER 31

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I rise on a short point of order.

During the statement period today, my hon. friend from Portage—Interlake made some statements regarding the president of PSAC, indicating some points that were factually incorrect.

I want to remind the member of Beauchesne's sixth edition, citation 493 which states:

> (4) The Speaker has cautioned Members to exercise great care in making statements about persons who are outside the House and unable to reply.

There are a number of other areas that mean about the same thing.

Many of the statements of my hon. friend were factually incorrect, such as: "Mr. Bean is an officer of the New Democratic Party". This is not the case, so would he be the gentleman that he is and withdraw his comments?

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, I rise on that same point of order. I listened to what my colleague from the opposite side said with respect to my statement. I found it to be very much in order from what I read. Anyone who condones sexism and violence as a person should be condemned by him and his own party.

Mr. Speaker: I will consider the comments of the hon. member for Kamloops and I will review what has been said. There has been a general sense in this place of course that if it was unfair to attack someone who cannot answer for themselves and someone who is outside the Chamber that certain restraint should be exercised. I will look carefully at the matter that is raised.

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[*Translation*]

PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw the attention of hon. members to the presence in the gallery of the Hon. Leroy Légère, Minister of Labour for the Province of Nova Scotia.

Some hon. members: Hear, hear.

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[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I would like to ask the government House leader what the business of the House will be for the remaining part of today and Friday as well as on Monday and Tuesday.

While the government House leader is on his feet he might also be able to respond as to when the government will be introducing the legislation to allow for a national referendum to take place.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, we momentarily intend to commence the debate on third reading of Bill C–39 and we are hoping for completion.

There have been discussions among the parties with respect to Bill C–44 which is amendments to the Canada Labour Code. These are non–controversial and would help bring about the end to a labour dispute. I hope those can carry on and we can find some opportunity to pass that bill as soon as possible.

The outcome of tomorrow depends on the outcome of today. If C–39 has completed third reading, which I hope it will, it would be my intention to call third reading on the financial institution package.

• (1510)

On Monday and Tuesday it would be my intention to call Bill C–20, the Budget Implementation Act, 1991. There are certain provisions in there that need to be passed prior to January 1, therefore we have to get it passed through this House so the other place can consider it prior to the Christmas adjournment.

Later that week I will be engaged in the usual discussions with members opposite to see what business can be appropriately dealt with.

In terms of the plebiscite legislation, we discussed at our House leader's meeting on Tuesday the practicalities of what that bill would contain, such as who would be allowed to advertise and what groups would participate because as hon. members know our existing Elections Act may be in violation of the Charter of Rights and Freedoms in terms of limitation on participation. We are awaiting the report of the Royal Commission on Electoral Reform, the Lortie commission, to see what recommendations can be made in respect of advertising limits, enumeration, broadcasting, availability of free time, allocation of broadcasting time, all of those practical things which are in our Election Act but which cannot be transferred over automatically to plebiscite legislation.

Those kinds of things, as I indicated in the meeting we had on Tuesday, are things we are wrestling with. I do not expect to have an answer to that prior to Christmas. As the Minister responsible for Constitutional Affairs indicated to the leader of his party, we were unable to bring in any such legislation prior to Christmas.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, a point of order on House business.

I am most interested in House business. I have several points. I could not get the eye of the Speaker today and I have a whole point on that.

I really want to find out if there is any sense in getting off your seat if you are not on the list in the House. If you are not, then let us face facts. It is now Thursday and usually someone else is in the chair. I will pay my dues and get up for the first or second day. By the time Friday comes there is a new Speaker and that Speaker thinks you are just doing your first baptism. I am a good Baptist but I am getting tired of getting dumped all the time.

On House business, I wonder if the House leader, in the afterglow of Remembrance Day, knowing that there is a unanimous report from the defence committee and in view of the fact that the hon. member for Parry Sound—Muskoka asked a similar question last Friday, I think, to the Minister of Veterans Affairs, could find some way to implement those recommendations for the merchant mariners who are a dying breed rather than procedurally waiting for the 150 days to respond to that unanimous report which is finally addressing one of the last groups that helped defend this country and fought so valiantly and had the highest rate of casualties of any group in the armed services.

Let us do something good and nice and make Canadians feel good. Since we have missed the Remembrance Day period, let us think about the Christmas period and the New Year for those dying merchant marines. There are different figures that one or two die every week because of their age group. The government should respond in a positive way.

Quite frankly we are finding money to do different things. There is a moral element, as the chairman of the defence committee said, about paying for it. Surely the House leader who is a very compassionate person outside the House could appreciate the morality of doing something before this breed becomes extinct. In other words, do not procedurally wait for the 150 days.

I could not get a question to the Minister responsible for Constitutional Affairs and frankly I had several, so could the House leader please tell this member what the difference in a loaded word is between "referendum" and "distinct society", and where the government is going to change and flip-flop because of the implications of one and that it is still proceeding gung-ho on the other. Is there any sense in continuing the whole thing anyway?

Mr. Andre: Mr. Speaker, on the question of giving veteran status to members of Canada's merchant marine, I know the Minister of Veterans Affairs has said on a number of occasions that he views this as very important. He is working on it.

There is no desire to work to 150 days, but the hon. member will appreciate that these times are different than they were in the early days when we were both here. He was here before me when the question of new spending was a trivial matter because the money was rolling in and our credit rating was still good.

Unfortunately, we are not in that position any more. Where he says that we can find new money, I wish that were true.

The hon. member has a suggestion for some minor savings, but saving a dollar and committing to 10 is not exactly what is going to help. Nevertheless, I will pass on his representation to the Minister of Veterans Affairs.

There was a matter of debate as to loaded words and so on. I noticed some snickers earlier when I used the word "plebiscite". I did that because I am an engineer and engineers are very precise in their language.

I happened to look in the Oxford dictionary and "referendum" is a binding decision taken by vote and "plebiscite" is a seeking of opinion.

As you know, there is no ability under our constitution to change it by way of a binding, direct vote because of the amending formula that exists. At best, what you can do is have a plebiscite to seek opinion but cannot be binding. Therefore, it is a plebiscite and not a referendum according to *The Concise Oxford Dictionary*.

Mr. Speaker: I am impressed. It is wonderful to hear from an engineer, especially when you come from a legal background. Calling upon *The Concise Oxford Dictionary* is of great guidance to the Speaker.

Mr. Rod Murphy (Churchill): Mr. Speaker, I congratulate the government House leader on being an engineer and on the fact that they are precise in language.

Many Canadians are probably wondering if they are very precise with regard to cost estimates.

My question relates to the Canada Labour Code legislation which he indicated might be brought back. I think he recognizes that members of this House will have a problem if it is not brought back soon.

There is no use in the House of Commons rushing this legislation through all stages if there have not been arrangements made with the Senate to deal with the legislation this afternoon.

It does not appear to me, and I have asked the government House leader, that it would be valuable for this House to pass the legislation in all stages unless we have a guarantee that the Senate will be available to do the same later on today, and not next Tuesday.

Mr. Andre: Mr. Speaker, I am giving second-hand information here, so please do not hold me to it if it turns out to be wrong, but the latest information I have is that the Senate was prepared to work up until later this afternoon.

If we were prepared to deal with the legislation now, we could get it over there in time for it to pass it this day. It would take four days off a four-month strike.

If the strike goes on for four months and four days, I guess only those who are inconvenienced and out of pocket by the strike will have to complain. I do not think I should comment more about the Senate's attendance or I am liable to make more enemies than I already have over there.

Mr. Murphy: Mr. Speaker, this is just for clarification for the public.

We are not dealing with back-to-work legislation. By the minister's referral to a strike, he ignores the gist of the legislation which is basically to enforce the employers to negotiate under the Canada Labour Code.

I think for the benefit of the public it is not a matter of ordering people back to work. This is legislation which is clarifying the Canada Labour Code to make sure that the employers are able to negotiate as one body.

• (1520)

[*Translation*]

PARLIAMENTARY LIBRARY

REPORT OF AUDITOR GENERAL

Mr. Speaker: I am pleased to table the report of the Auditor General of Canada concerning the operations and administration of the Library of Parliament.

This audit was originally requested by the Parliamentary Librarian and was endorsed by the Speakers of the Senate and the House of Commons.

[*English*]

I should point out that the Auditor General's first observation in this report is that:

> The Library of Parliament received strong endorsement from parliamentarians regarding the extent to which it meets their needs.

I would like to say on behalf of the House of Commons our thanks to the Auditor General and his staff for a constructive review of the Library of Parliament and I understand that his suggestions will be taken into consideration, studied and acted upon by members of the staff of the Library of Parliament.

Again, I want to extend to our librarian, Mr. Spicer, and his staff our well-deserved thanks for their ongoing commitment and dedication to serving the information requirements of parliamentarians and making it easier for members to do their work on behalf of our country.

I now have the ruling that I referred to earlier today in an exchange with the hon. member for Cape Breton—East Richmond and I hope that the ruling will help all hon. members to understand certain procedures that are taking place with some legislation.

I wonder if hon. members could perhaps take their conversation behind the curtain because I think it is being picked up by the microphones. I would ask hon. members to take their conversation perhaps just a little bit farther away. Thank you.

POINT OF ORDER

BILL C-35—PROCEDURAL ARGUMENTS—SPEAKER'S RULING

Mr. Speaker: On Friday, November 22, 1991, as the House was about to begin the third reading debate on Bill C-35, an act to correct certain anomalies, inconsistencies, archaisms and errors in the Statutes of Canada, the hon. member for Cape Breton—East Richmond rose on a point of order related to that bill.

The hon. member sought guidance from the Chair concerning Part III of the bill entitled "Bills introduced but not yet assented to" which puts forward amendments in relation to six bills that are at various stages in the legislative process.

Specifically it proposes to amend under certain conditions Bill C-3, which received third reading in the House on Friday last, Bill C-4 which is on the Order Paper at third reading, Bill C-18 which is now before the Standing Committee on Finance, Bill C-19 which is on the Order Paper at third reading, Bill C-22 which is now before the Standing Committee on Consumer and Corporate Affairs and Government Operations and Bill C-26 which awaits second reading in the House.

[*Translation*]

The Chair wishes to thank the hon. member for Cape Breton—East Richmond, the hon. member for Kamloops and the parliamentary secretary and hon. member for Cariboo-Chilcotin for their interventions last Friday and for their cooperation in permitting debate to commence, pending the Chair's decision on this matter. I am now ready to render a decision.

This is not the first time that members have raised concerns about a bill before the House appearing to be dependent on other bills still under consideration. On June 8, 1988, the Chair reviewed precedents on the subject, notably the decisions of Speaker Lamoureux of April 20, 1970 and February 24, 1971 as well as Deputy Speaker McCleave's ruling of February 5, 1973.

[*English*]

Speaker Lamoureux had found nothing procedurally wrong in having before the House at the same time concurrent or related bills which might be in contradiction with one another either because of the terms of the proposed legislation itself or in relation to proposed amendments. Accordingly, he ruled that second reading motions could proceed as the House was not giving final approval to the bills in question.

Today, however, the House is faced with giving its final approval to Bill C-35 and the Chair must determine whether third reading of Bill C-35 can proceed when Part III of that bill amends six bills now at various stages of the legislative process.

In its careful review of the terms of Part III of Bill C-35, the Chair has examined testimony presented before the Standing Committee on Justice and the Solicitor General on November 19, 1991, when members sought clarification on the intent of Part III from the officials of the Department of Justice.

Let me first say that I was dismayed to find in that exchange that a ruling of June 8, 1988, has been misconstrued as *carte blanche* for an interdependent approach to drafting complex legislation with the committee being told: "the Speaker ruled in 1988 that the inclusion of these clauses was perfectly proper".

A close reading of the June 1988 ruling reveals rather that the Chair permitted second reading of Bill C-130 to proceed despite objections raised to conditional references to Bill C-60 and Bill C-110. As it happens, events overtook those bills. No objections were raised at third reading of Bill C-130 and on dissolution Bills C-60 and C-110 had been assented to while the free trade bill died on the Order Paper.

I want to make it very clear that the situation before us where objections of this sort have been raised at third reading is according to our research unprecedented.

[*Translation*]

In the ruling of June 8, 1988, the Chair declared "the practice of one bill amending another bill still before the House or not yet given Royal Assent is an acceptable one". However, in keeping with the earlier warnings of Speaker Lamoureux, the Chair went on to caution that "if at third reading, circumstances exist whereby the bill is amending another bill still before the House, then I would be disposed to abide by Speaker Lamoureux's decision and hear further argument at that time".

[*English*]

This is precisely the situation before us today.

Having carefully examined the terms of Part III of Bill C-35, the Chair has grave concerns about this manner of proceeding since taken to the extreme it puts the House in the invidious situation of legislating in the subjunctive. For example, clause 157 of Bill C-35 proposes an amendment to Bill C-3 which is intended to deal with an anticipated anachronism. It amends the definition of department in Bill C-3 which rests currently on a reference to provisions in the Financial Administration Act which provisions are being amended by Bill C-35.

If the definition now in Bill C-3 remains and Bill C-35 is assented to without clause 157, Bill C-3 would even on being assented to contain an anachronistic reference to the Financial Administration Act.

That being said, the Chair has some sympathy for the dilemma facing those drafting proposals for the Miscellaneous Statute Law Amendment Act. Testimony before the committee reveals that this is an ongoing and painstaking process and that the very length of the process militates in some measure against its success as a comprehensive exercise. At the time such a bill is enacted, other legislation being considered concurrently by Parliament may require consequential amendments of the kinds included in Part III of Bill C-35. In the case of Bill C-35, and this is a key consideration for the Chair, the House is considering the traditional omnibus bill for corrections to certain anomalies and inconsistencies.

• (1530)

The drafters of Bill C-35 have in their zeal placed before the House not only corrective measures for such matters identified in existing statutes but in Part III they propose corrective measures for matters which will in all likelihood come into existence in this parliamentary session. Do these proposals offend the procedures of the House of Commons?

It is the duty of the Chair to safeguard the right of members and the House to make fully informed decisions on the matters before it and in the final analysis the Chair must be guided by what Deputy Speaker McCleave described in 1973 as a matter of how best to achieve logical progression of companion or interdependent bills through the House.

The legislative process affords ample opportunity for amending proposed legislation during the detailed clause by clause study in committee and again at the report stage in the House.

In the case of Part III of Bill C-35, members could have voted against or moved to delete any or all of the six clauses in question. Now at third reading the House has a final opportunity, should it so choose, to recommit Bill C-35 to committee for reconsideration.

Alternatively, the House could decide not to proceed with third reading of Bill C-35 until the six bills touched on in Part III have completed the legislative process.

All of these avenues offer members full remedy to this conditional approach to legislating should they object to it. That decision rests with the House.

After careful reflection on the technical nature of the amendments and their effects and on the opportunities there have been and continue to be for the House to reject Part III of Bill C-35, the Chair is not inclined to intervene on procedural grounds in this instance. Accordingly the Chair rules that Part III of Bill C-35 is properly before the House and third reading of Bill C-35 can proceed.

I want to add to these comments of the hon. member for Cape Breton—East Richmond that the point that has been raised is not an easy one. I hope that this is of some assistance to the House. It is a complicated matter and as I mentioned in the judgment, this approach is not altogether satisfactory and I have had to the best I can with a very difficult situation. I thank the hon. member for Cape Breton—East Richmond for bringing the matter to the attention of the Chair.

Mr. Dingwall: Thank you, Mr. Speaker, for a detailed decision but I am wondering if the Chair could perhaps elaborate considering the Chair's distinguished legal background and appreciation for parliamentary procedure.

In the ruling I take it that Part III is now in order. You did suggest, and correct me if I am wrong, that there is a remedy before the government. If it decided not to proceed with third reading of Bill C-35 until such time as the previous acts in question have been assented to, that would certainly make it appropriate. Am I reading the Chair correctly in that assessment?

An hon. member: Be careful.

Mr. Speaker: I heard somebody say: "Be careful". I think it was said to the Chair and I accept it as assistance.

There is a great temptation sometimes for the Chair to put on another hat. I am going to refrain from that and resist the temptation for the moment. I think the hon. member for Cape Breton—East Richmond has summed up pretty carefully and accurately the remarks of the Chair.

I ruled that the matter is procedurally before us. It is procedurally acceptable.

If members feel that it might be appropriate to delay or as I said to defeat it, then that of course is for the House to do.

That of course is something which is entirely for the House to do and it is not something for the Speaker to suggest or favour or to reject.

Mr. Dingwall: Mr. Speaker I want to thank the Chair and I want to thank the Table for the preparation of the decision.

I had asked on several occasions to have this decision completed expeditiously. I hope that my interventions were not interpreted by the Chair nor by the able representatives at the Table as trying to be a nuisance to them and to the Chair. I did believe then as I do believe now that this is a very substantive point with regard to the procedural aspects of the House of Commons. I wish to thank the Chair. I will not reflect on the decision in the House but I do want to thank the Chair.

Mr. Speaker: I will say to the hon. member for Cape Breton—East Richmond first of all as I indicated it is a complicated and difficult issue. It was most properly raised. I can only say that I am sorry that we were not able to come with a ruling a day or so earlier. I appreciate what the hon. member for Cape Breton—East Richmond has said in appreciating how much work went in this decision. The officers of the Table have been of great assistance to me in coming down with a decision which gave me some trouble indeed.

Mr. Cooper: Mr. Speaker, I do not want this opportunity to pass without adding my thanks to the Table and to the Speaker for making such a difficult ruling and spending to much time and effort on it. We are pleased to find that this particular process is procedurally within the bounds of the House of Commons.

Mr. Dingwall: Mr. Speaker, may I pose a question to my distinguished colleague the parliamentary secretary and friend to the government House leader. Note the word "distinguished".

Mr. Speaker: I just want to remind the hon. member from Cape Breton—East Richmond that I use the term generously.

Mr. Dingwall Mr. Speaker, it was used on me one time but the person that was giving the remark called it "extinguished". I would like to ask the parliamentary secretary in view of the decision which has been rendered by the Chair if he would give serious consideration to withdrawing Part III of Bill C-35?

Mr. Cooper: Mr. Speaker, I want to indicate to my hon. friend in view of the Speaker's ruling there are obviously a number of options available to the government and to the House and I would not want at this point to preclude any of them.

GOVERNMENT ORDERS

[*English*]

CANADA PENSION PLAN ACT

MEASURE TO AMEND

Hon. John C. Crosbie (for the Minister of National Health and Welfare) moved that Bill C-39, an act to amend the Canada Pension Plan, the Family Allowances Act and the Old Age Security Act, be read the third time and passed.

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

Some hon. members: Debate.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am very pleased to speak on Bill C-39 at third reading. I wish to convey to this House the regrets of the Minister of National Health and Welfare for the unavoidable absence here today. He is most regretful.

Members from all sides of the House do know that there is an urgency to this particular bill and really have shown truly excellent co-operation ensuring that it could move forward to the other place and then on to have provincial approval and come into effect January 1992.

First, I wish to thank the member for Hochelaga—Maisonneuve who chaired the legislative committee. I also want to thank the hon. members for Winnipeg North and Kootenay East.

• (1540)

I would like to extend my appreciation to all those who brought forward their concerns, especially those with respect to the disabled. In this regard, note should be taken of the contributions of the hon. member for Swift Current—Maple Creek—Assiniboia and also of the hon. member for Don Valley East, whose proposed amendment to the disability provision of the CPP is contained in Bill C-280, which received third reading here on Tuesday evening.

I would also like to note the particular concerns raised in the committee by members regarding the CPP, the definition of "disability", the time limits on applying for a disability pension, and the protection for persons who stay at home to care for disabled persons.

I would also like to express my sincere gratitude to all the witnesses representing the disabled community who appeared before the committee. A brief on Bill C-39 was presented by the Coalition of Provincial Organizations of the Handicapped, the Canadian Disability Rights Council and the Advocacy Resource Centre for the Handicapped. They raised many important issues and they revealed the serious concerns many persons have about the disability provisions under the CPP.

It was also noted that some Canadians simply lacked the information or the knowledge about the plan's provisions. Because of this an application for disability benefits may be delayed too long and unfortunately this may result in the loss of eligibility for the benefits.

I might add that the Department of National Health and Welfare has undertaken a stronger communications effort in this particular area. However it really is clear to me and to all of those who sat on the legislative committee that more has to be done. I really welcome all suggestions from the members here in the House and all members of Parliament as to how we might better inform Canadians about the CPP plan and its provisions.

Certain amendments designed to improve the disability provisions under the CPP had been made through Bill C-116, which took effect in 1987. The changes enhance the flat rate disability benefit as well as ease the eligibility rules by including a new recency provision. Bill C-39 also includes important provisions for the disabled. Greater benefits will be paid to the children of disabled contributors, and the benefit eligibility of CPP contributors who were unable to apply in time because of incapacity is going to be protected through one of our amendments.

It is clear that hon. members want more. Bill C-280, which I have mentioned, is a private member's bill and it was sponsored by the hon. member for Don Valley East. The bill was passed in this House Tuesday and now is in the other place for discussion.

This bill would further ease the contributory requirements for a disability pension. Under the provisions of the CPP, the terms of that bill will require notice to, and approval by, the provinces.

I also wish to indicate my appreciation to the witnesses from the Canadian Institute of Actuaries who appeared before the legislative committee. Their testimony confirmed that CPP is funded on the basis of sound actuarial principles and that this legislation here before us today is solidly based on those principles.

I would like to now briefly summarize the major and the important minor provisions contained in this bill.

As members know, the bill contains two major amendments. It amends the current 25-year schedule of CPP contribution rates and extends the schedule by an additional five years.

The bill increases benefits for the children of disabled and deceased CPP contributors by $35 a month.

The bill contains a number of minor amendments which are really insignificant in cost, but the minor amendments would provide for the conversion from a CPP disability contributor's child benefit to a CPP orphan's benefit without the need for application. It would provide CPP children's benefits to a child who comes under the care and custody of a CPP contributor after the contributor becomes disabled.

These minor amendments allow for the protection of benefit eligibility of CPP contributors who are unable to apply in time because of incapacity and for the reimbursement of CPP disability benefits to the administrator of a disability income plan under approved conditions at the beneficiary's request.

Another minor amendment concerns the sharing of information among the Old Age Security, the Canada Pension Plan and the family allowance programs. This will provide improved service for all our clients. Another minor amendment concerns information sharing between these three programs and provincial administrators in limited circumstances which would allow for the faster provision of provincial benefits in services for dual clients. A number of other minor administrative and technical changes are incorporated within the bill.

In closing, I thank all members in the House and members on the committee for their very constructive and their truly co-operative efforts in dealing with the legislation. This package of amendments is a fine example of federal and provincial co-operation and negotiation.

The amendments will, among other things, ensure that the plan remains soundly financed well into the future. The children's benefit increase for dependent children of the deceased and disabled CPP contributors is truly a significant benefit improvement for a particularly vulnerable group.

As members know the legislative timeframe we are working under is very tight. The target date for implementation of the proposed changes is January 1, 1992. After Parliament has approved the bill, the approval of two-thirds of the provinces with two-thirds of the population is required to implement the legislative changes. I know the provinces have already put their machinery into motion so that they can be ready to act immediately once the federal parliamentary process has been completed.

Once again I want to underscore the minister's support and appreciation for the committee members' work, the witnesses' testimony and the suggestions put forward by all members of this House on how to improve the Canada Pension Plan.

The minister has asked that I inform the House today that he will write to his provincial counterparts and request immediate discussion on the proposed suggestions which will allow for a better and a fairer disability coverage. Certainly we hope that the provinces will agree and in turn support further amendments to the CPP legislation. Indeed it is unfortunate that these proposals did not get included in Bill C-39.

The minister will also provide to the appropriate Standing Committee on Health and Welfare copies of these letters.

• (1550)

This is one thing that I promised at the legislative committee and indeed here this morning in the House. Concerns were raised by both my colleagues on this side of the House and the other side of the House with regard to the CPP legislation, how we can assist the disabled, and indeed credit splitting due to an fortunate divorce or separation within a family. These concerns will be addressed by the minister to the provinces with a copy of his letter to the appropriate committee.

I know that we can do more, that we should be doing more and that we will want to be able to count on the co-operation of all parties like we have had in future efforts to protect and improve the social insurance of Canadians.

Mr. Speaker, I thank you very much and look forward to this debate at third reading.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I too wish to participate in this debate on third reading of Bill C-39.

The parliamentary secretary has outlined the position of the Government of Canada with regard to this particular piece of legislation. I wish to reiterate what my colleague from Winnipeg has said with regard to Bill C-39. We will be supporting Bill C-39 on third reading. That is not to say that we are completely pleased with all the contents of the bill or the lack of certain provisions in the bill.

I wish to state for the record we are aware, as debated previously, that Bill C-39 will result in an increase in Canada pension contribution rates both for employees and for employers. This plan is supported from coast to coast. The arrangements are somewhat different in the province of Quebec, but it is indeed a national program to which Canadians have contributed voluntarily—it is now mandated by law—and have done so for a good number of years.

We have taken notice of the government's assertion. An increase in the appropriate premiums of various individuals who are gainfully employed and who are not employed for this particular plan is important in order to make certain that the Canada pension fund itself is solvent and that we do not go bankrupt, thereby leaving a large number of Canadians without the appropriate compensation they thought they were going to receive.

The bill goes on to deal with the benefit levels for dependent children of disabled and deceased contributors to the plan. Federal–provincial agreement to such increases was reached I believe in January 1991, and we in this House are now cementing, consummating that agreement in its totality.

I want to say for the record that the increases which are tied in Bill C–39 are not whopping increases but are nevertheless increases. I think members ought to be cognizant of that increase and fully appreciate that those individuals who will be the recipients of these financial increases will certainly bear some benefit as a result.

I had hoped during report stage of this bill that amendments would have been allowed. Amendments were allowed by the Chair in terms of procedural grounds but certainly the substance of those amendments were not accepted by the government. That is a decision that every government duly elected by the people of Canada has a right to make. I think in this particular instance it has made this decision without sound substantive rationale.

I know the hon. member for Halifax West would want to participate in this debate. Perhaps we can hear from him later on. I do want to say there are some very perplexing situations that must be brought to the attention of the Chair, indeed the people of Canada, in terms of Bill C–39 and what it could have done. I have a number of cases in my own constituency where I make the comment that there are very sound and solid arguments for provisions of the Charter for discrimination both on sex and on age.

Bill C–39 could have incorporated some of those changes in order to rectify the problem.

I have a constituent who is a woman of 43 years of age who was receiving Canada pension benefits of $215 per month after the death of her husband. One day her benefits were reduced to $170 without any warning whatsoever. She found out that since health and welfare had not received confirmation that her son was still enrolled in school, she lost the benefits because he was no longer ruled as a dependent. I note that benefits cease for survivors when they reach the age of 18 and leave school or when they turn 25 if they remain in school.

This lady did not get her original benefits back even though the $215 per month was reduced to begin with. This was simply because she was a woman under the age of 45 years. This is the point. That is in the legislation. That is unfair to Canadians who have to put up with that kind of difficulty.

Here is another situation. A woman became a widow in 1985. She applied twice for Canada pension benefits. That was in 1985 and 1988. She was refused both times because she was under the age of 35 and had no dependants. The case went before the Human Rights Commission. I say to the those in the Chamber and to those who are viewing our proceeding across the country that our Canadian Human Rights Commission said it would not interfere because it involved pension plans. Health and welfare on the other hand told this lady she would get her benefits when she reached 65.

The Chair has had a tremendous career. It is one known for reasonableness, fairness and at times firmness which is quite appropriate. I would have to ask the Chair and members through the Chair to explain to me and others where the fairness is. Surely this must be wrong. Surely there is something inherently wrong with the law.

In Bill C–39 we had an opportunity to correct that very grievous error but we did not. Members opposite voted us down and as a result it could not go forward.

Think of it. Let me personalize it just a little bit. You are 22 or 23 years of age and working and you make a decision to get married. You live together as man and wife and you make a conscious decision not to have any children until you pay your student loans.

• (1600)

To inform those who are in the Chamber, student loans can vary. If one goes on to professional school or pursues a doctorate or a masters thesis domestically or internationally, the bill is rather large.

What happens if two people are married and both have student loans and say: "We are not going to have children right away. We are going to wait a number of years because we want to pay off our debt in terms of student loans. We do not want to give our money in terms of rent to a landlord. We would rather have some equity. Therefore we will take a few years save some of our money make a down payment on a home and try to make our mortgage payments so that we are not going to be in a situation which some Canadians have determined to be 'house poor."

That is you do not want your mortgage to be of such an extent that you have very little income left for anything else. The couple gets married. They pay off their debts or attempt to pay off their debts such as student loans. They save money for a down payment on a mortgage. The mortgage rates just recently just came down. In some areas of the country they have been very, very high as my colleague from Broadview—Greenwood will attest to later on.

Then all of a sudden tragedy hits whether by accident or by disease. One of the couple is deceased. You have paid your benefits into the Canada Pension Plan and you are a survivor. But because that lady has no children she is denied the benefits of a program which she quite justifiably placed monthly payments in each and every month and each and every year.

I suggest that that situation is not fair. The law as I said earlier this morning is wrong and ought to be changed.

What about the widow who is 43 years of age who does not have a bankroll of cash. She does not have a situation whereby someone from afar could send cheques in large amounts of money but who does everything she can to raise her family and provide them with the necessities of life that many of us have taken for granted so often in this Chamber.

She has a couple of children. She assists them in going on to pursuing their education but because of an oversight her benefits are dropped substantially. Members might say: "Well, $215 down to $170, come on, that is $45, not a lot of money".

Let me tell you about $45 and what it can pay in terms of the family income which is basically limited.

It might help to pay for the telephone which is a monthly expense. Notwithstanding the interventions made by Bell Canada and all of the telephone companies, the telephone rates have not come down. They have not come down. That is one expense.

It can be used to buy bread. You can buy bread with that $45 a month. You can buy milk with that $45 a month. You can also buy such things as snowsuits for your child who may wish to go to school and participate with other children in various activities both on the school grounds and off the school grounds when the weather is cold.

It may also pay for swimming lessons. It could be used as a transportation subsidy for a child under the age of ten who after school may have to travel a distance to get home or because of some special arrangements there might be sickness in the family or one might have to go to a dentist.

But the Government of Canada in this law, the Canada Pension Act, has denied that individual of that amount of money.

Mr. Speaker, I say to you with great respect that that is unfair. The law is wrong. Bill C–39 could have rectified that situation. It has not done that.

We are not talking here about a substantive sum of money but we are talking about a substantive sum of money for the recipients of the program. I have used the figure of $45. Well, $45 is almost $600 a year. It is well over $500. I think I am correcting my addition here. Let us forget about bread and milk, snowsuits, transportation subsidies. Let us talk about other things.

Do you know that there are numerous Canadians across this country who have to pay each and every month for something which many of us never think of. It is called a power bill or a utility bill. You may live in the regions of the country where sometimes the weather can be quite erratic. That is not to suggest that the weather is neither cold or erratic here in the nation's capital. But I just bring it to the Speaker's attention. Many individuals are on a plan whereby they spend each and every month a set sum. If the weather is extremely cold they still pay that sum of money which is that $45. If the weather is very warm they still pay the $45. It provides the home with heat. It provides the family with light. People do their homework under the light and some people wish they did not do their homework under the light. But it provides a necessity. We have not rectified this error in this particular bill.

I say to you, Sir, and to members opposite and to my colleagues that that is wrong. We ought to change it. I hope the parliamentary secretary will be true to her word. I have every reason to believe she will. I hope this matter will be brought to the attention of ministers of health across this country for subsequent change and amendment and to rectify the situation.

I make reference to these particular cases because I think it important that members of Parliament and those in the viewing audience realize that sometimes we deal with a lot of technical stuff. Sometimes we deal with miscellaneous statutes where you have different bills that are affected and affect other bills.

• (1610)

My colleague from the New Democratic Party was so right today when he stood in his place. He did not necessarily agree with me, but he was right in terms of pension reform. He was right. I do not think anyone doubts that. Surely there is an obligation on all of us not to just push through with a quick hand a statute like Bill C-35, which has 90 different federal statutes and umpteen different amendments and various consequential amendments. It is very important for us when dealing with Bill C-39 to make substantive changes which affect the lives of Canadians.

A number of organizations have applauded the government in terms of the increases that will occur as a result of premiums both on the employer and employee sides in order to make the fund solvent. We on this side hope that these changes, which were made to rectify an error, and were done certainly with good faith on our part and hopefully on the part of the government, will be consummated again on the passage of third reading of this bill.

In conclusion, Mr. Speaker, I am hoping you will allow my colleague, the hon. member for Broadview—Greenwood, to continue on in the debate in the time that remains. However, I do want to say through you to the parliamentary secretary, who said some very kind words earlier this day, that she will be true to her undertaking and the suggestions we have made she will bring them to the attention again of the minister and to the ministers of health to see whether some political will can be gathered across this country to make those kinds of substantive changes which we believe to be important both in terms of assisting the recipients of this particular piece of legislation, and also be able to facilitate the implementation of changes that we are recommending.

I would hope that the parliamentary secretary would share with me the letter that she will be forwarding to first ministers. I just want to see the body of the letter. I do not have to see the salutation of "My dearest colleague" or whatever it says, and I certainly do not want to see the signature with all the *x*s and *o*s that will go to the various provincial ministers across the country. I hope the parliamentary secretary will be kind enough to send members on this side of the House a copy of that letter.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I will take the remaining moments from my colleague's time. As he said earlier, we salute the government for putting this bill on the floor of the House and putting the fiscal framework of the Canada Pension Plan back in order. It is something that the senior citizens of this country would appreciate. I know that in my own riding, 22,000 seniors count on this national plan to be properly managed. When they hear that we are putting the time and effort into making sure that the solvency of this fund will always be maintained, I am sure this will be good news to those constituents, not only in my riding but right across the country.

I want to talk about another aspect of this particular piece of legislation. It has to do with pensions for the disabled. I have talked about this—I guess it was second reading and I brought it up earlier today.

I am going to repeat myself because when you are a new MP there are days when you can stand in this House and feel good about what you are doing.

There are other days when you wonder what you are doing here: "What a waste of time. I think I could get a lot more done if I were not an MP".

At this moment with the case that I hold in my hands I feel that I am spinning my wheels. It is a case that I personally have been working on since August 8. It is a case that was brought to my attention by one of my constituents. It involves a man in my riding who volunteered his services to a fellow neighbour in rebuilding a roof on his home. My friend, Mr. Baxevanis, is a craftsman and he was on the roof of this home. He fell and broke his hip, his legs and his arms. He was lucky. I think the only thing he did not break was his neck. He had over 30 different major operations and has not been able to work for just under three years.

This is a man who has contributed to the economy of this country throughout his entire life. This is a man who is married and has three beautiful children. It is tough for somebody who has had that kind of experience. All of his life he has been active and then all of a sudden he is disabled.

It is at a time like this when you count on your national government and a program like disabled pensions to come into play.

The first letter I received on this was May 23, 1990, from a city councillor, Chris Korwin-Kuczynski, who talked about this case. My first letter on this case was August 7. I produced all the paperwork necessary. I have written subsequent letters. I have tried to get information and I think we finally have it now from Revenue Canada, which I must tell you is just a painstaking exercise.

Ms. Sparrow: Did he file late?

Mr. Mills: No, he did not file late. He went through the normal process and there were difficulties in getting paperwork out of Revenue Canada. I wrote to the minister and I had difficulty. One day my colleague in my office basically lost it. I have never raised this in Question Period before. Here I am and it is almost Christmas Eve and I still do not have this case concluded.

Here is a man whom anybody with any common sense can see is physically disabled. He will never be able to work as a craftsman for the rest of his life. Thank goodness for the community that came to his assistance and his family's assistance and helped them maintain their home and made sure the children had the necessary food and clothing so that they could continue on their normal existence.

I bring this case to the floor of the House of Commons for one reason. I do not believe there is any intention by department officials to give this kind of a case the "mad" treatment, the maximum administrative delay treatment. I would never impute ill will to a public servant.

• (1620)

We are sloppy and inefficient. If this happened in business, if we treated a customer like this, we would soon be out of business. No wonder there are times when our constituents, the people of Canada, wonder what we do here. I say humbly that this case makes me feel useless. It makes me feel useless that I cannot move a department on an issue that is substantive and addresses fundamental social policy in this country. This is not a man who is looking to have some kind of quick grab of the treasury of this country. This is a legitimate case.

I fear that there may be many other cases like this from coast to coast to coast in which the spirit of public service or the spirit of the bill is not being addressed.

As I said earlier to the parliamentary secretary for the government, I have enormous respect for her. She is a very hard working, efficient person, I would appeal to her and plead with her to somehow communicate to officials, the Public Service, not to find reasons why a case like this should be delayed and not processed, but to try and find ways to make the spirit of the law work for cases like the Baxevanis family.

Governance is not for people who are advantaged. It is to help people who are disadvantaged. One of the reasons I felt good about addressing this bill today on pension reform is because by and large we are talking about a piece of legislation that really looks after a lot of people in our community who from time to time are disadvantaged. I would implore the government to try and figure out a way to make the Public Service of Canada more efficient in delivering the act we are about to pass.

Mr. Sid Parker (Kootenay East): Mr. Speaker, I am pleased to stand and speak on Bill C-39, an act to amend the Canada Pension Plan, the Family Allowances Act and the Old Age Security Act.

Last Monday evening I represented my party on the legislative committee examining Bill C-39. I must say that it was an uplifting experience. Why do I say uplifting? I use that word because members from all parties sat and listened to witnesses from the disabled community and I think all committee members were moved by the testimony.

We were not only moved emotionally, we were all moved to action. In four and a half hours we had reached agreement that existing disability provisions within the CPP were not adequate.

I guess we could ask ourselves: what does this bill really do?

What it does is provide a $35 per month increase in benefits paid to children of CPP contributors who die or who are disabled. All recipients would receive the increase on January 1992, after the regular cost of living adjustments is made to current payments of $113 per month.

Thus, on January 1992 the benefit would be $154.54. We are talking about an increase to these children of disabled people of $35 a month. Does it really provide $35 a month?

I guess I will put these questions to the House. Can we expect the provinces, private insurance or other players to decrease benefits by $35 a month as of January 1992? If this is the case, where is the real benefit for Canadians with disabilities? What can be done to ensure that Bill C-39 benefits disabled Canadians and is not merely a subsidy for private insurance companies or the provinces?

I was correct. I was told by the actuary and by the officials from the department that if the provinces decided to counteract, they could decrease it by that amount. Regarding the private insurance company that has this person insured, if the clause is in there, it could.

Here we are with a bill that may be subsidizing other sources. Really, it is a bit deceiving. The department estimates 170,000 children will be eligible to receive this higher benefit. Every one of them will receive the benefits. We know that, if the provinces agree to it.

It may be offset, and the people should be aware that it may be offset. I know I will be watching my province of British Columbia to ensure that it does not. I am sure it will not.

I want to go a little bit deeper into the bill if I may. I would like to refer to *The Regency and Retroactive Rules Affecting Disability Benefits*, a report to the Minister of National Health and Welfare by the Canada Pension Plan Advisory, May 1990.

As we sat in that committee, we had the people from the disabled group there. One of the gentlemen was a man in a wheelchair. He had two children. He receives $785 a month to pay his rent or run his home and for his children. He told me at that committee his children cannot go to hockey games. He cannot afford to supply them with the equipment to play hockey.

He cannot go out and retrain himself to be able to carry on an active life. He cannot go out and take a part-time job because if he did Canada Pension would disqualify him from disability. What kind of legislation have we got in Canada that would allow someone to be designated as disabled for the rest of his life and not give him the incentive to go back out to try to train himself or re-educate himself?

I am told in committee that there is provision in some provinces where there are some pilot projects going on, one in British Columbia and one in Ontario, which allows for experimenting in these areas.

I want to refer to a case that I was first initiated into, the Canada pension disabilities. There was a young boy who played hockey with my son. I knew the boy. He got married and had two children. At the age of 28 he found himself in an accident in which logs fell from a truck and crushed him to the extent that he was literally immobilized.

• (1630)

When they shipped him off to Vancouver, they had to ship him on a passenger train, take the window out and put him on in a stretcher. His wife and children had nowhere else to go and so they came to me. They were looking for a disability pension. He was denied. He was allowed to go to the appeal board. I went to the appeal board and sat in on the appeal procedures. During that procedure the government appoints someone, in this case someone from a federal department. The claimant has someone appointed to represent him on his behalf and then an independent judge sits to chair it and then they make their report.

He won his case and has improved immeasurably since that time. If he were to try to retrain or find some mechanism of trying to find some part-time work to be able to put himself back into the work force, he would lose his disability pension.

Surely to goodness, in this day and age, with the new technologies we should not and we must now allow legislation to give that kind of a disincentive to people who could find themselves retrained and try to put them back into the workplace.

I want to talk for a moment, as I said, about this report from the ministry of health. It has recorded, it has done some studying and it appoints various people. In August, the chairperson of the Canada Pension Plan Advisory Board received a letter from the Minister of National Health and Welfare expressing concern regarding the provisions governing eligibility for disability benefits under the Canada Pension Plan. In particular, the minister requested that the board examine current provisions regarding regency and retroactivity with a view to determining whether any changes were necessary.

After some consultation by the board on retroactivity: "The plan also provides that no person shall be deemed to have become disabled earlier than 15 months before the month in which the application for disability is received. Departmental officials suggested that it would be very difficult, in many cases, to establish the onset of disability fairly if the retroactive period was extended beyond 15 months".

We have got case after case. Its figures show that as much as 5 per cent or 6 per cent of the applicants who have paid into the Canada pension scheme are disqualified because they did not apply at the proper time. They paid into a pension scheme and because they thought they were going to get better or possibly because they were getting money from unemployment insurance or possibly from some other source, they did not apply. All of a sudden someone informs them that there is a disability pension under the Canada pension. Finally, they come to make their application and are told: "Oh, I am sorry but you are disqualified now". If someone is disabled and has the credits, surely to goodness if he has not applied in time all the ministry has done is save itself a bunch of money, and the longer it takes for him to apply the more money the ministry does not have to pay.

There are provisions that would safeguard the plan because the retroactivity only goes back for one year. If someone is disabled in 1980, comes forward in 1990, has paid into the plan and can prove that they were disabled, surely to goodness the plan should be laid out in such a way that they could say: "Yes, you are entitled to it because you have paid into it, but you will only get it retroactive for one year".

That is not how the plan works. Many people out there are finding themselves in a situation in which they did not know because many of them do not have their trade unions to tell them that these provisions are there.

Canada pension has not really given out the kind of information with regard to disability pensions because we questioned the officials on that. Clearly we have got a situation in which the bill, the Canada Pension Plan Act, must be changed. Bill C-39 addresses one very little area and we are going to support it. We definitely will be supporting it because it is an improvement.

However, I do not want to leave the impression that we have done our job. There is a big job to be done there.

I heard the Liberals speaking with regard to the problems with the disabled and so on. I want to ask the Liberals: where were you between 1966 and 1984? Those same things that are going on right now were going on during that period of time and you could have gone into this legislation and tried to redraft it, but you did not.

I would hope the kind of atmosphere that went on in that legislative committee and in the hearing, and the kind of compassion that was coming from all sides of the House, will prevail and we will sit down as a committee and start to look at revising the whole Canada Pension Plan Act and not just these small portions of it.

There are other areas of horrendous problems within the Canada Pension Plan. I can recall several people who had received their disability pension and received a back cheque for somewhere in the neighbourhood of $17,000, $18,000, $20,000 and were not told that it was taxable. They were not advised that it was taxable. Goodness knows if you are disabled and you have got these problems and it takes so long to get your cheque, and it is a retroactive cheque, you need the money and you spend the money. Then in April they are told that they have income tax to pay on that and they must pay it. Again, there is another area.

I have been advised by people in the department that there are some changes coming with regard to the income tax, it will be deducted at source and I am pleased to hear that. I was very pleased to hear that kind of co-operation coming from that department and from the department heads. They realize the seriousness of the bill and the inequities.

I want to refer also to the point about the late applications. That is the area in which many people are suffering and not getting the kind of help they should be getting. Statistics on the number of late applications are not available. However, departmental officials have indicated that approximately 5.5 to 6 per cent of applicants are denied because the individual is not eligible for benefits because of lack of earnings. It is not only because of lack of earnings. It is because of the late application and the late filing. That is what I am finding in many cases. The individual did not know that they were entitled to Canada Pension and they did not apply. When they do apply they are told: "I am sorry, you're too late, so you can't get it".

Whether the government chooses to amend the definition of disability or expand educational or retraining programs into the CPP disability system, I believe that progress must be made. I hope the minister carefully reviews the minutes of the committee to see the level of support for these proposals from all sides of the House. I cannot over emphasize that point.

As the witnesses indicated, they do not want to be sitting at home in their rooms and not be given the opportunity to try to lift themselves up and to retrain or try to find even the very simplest of work. If they do that they are going to lose their pensions.

There is another area which is probably of deeper concern to every individual out there paying into the Canada pension. That is the funding of Canada pension.

• (1640)

The actuary came before our committee and ten minutes before he introduced his memo to the government House leader so that he could come and speak on his concerns.

There are some very serious problems on the graphs he is showing. The funding of the Canada pension as he has indicated needs to be very seriously looked at. Not only the funding of the Canada pension, but also the funding of our medicare system, our social assistance programs and our Old Age Security program need to be looked at, because it is all relevant; the age of our people, the changes of the age limits in the work force, the changes in the work force and the amount of money going into the Canada pension. By the year 2021 our young people could be faced with some very, very serious decisions to be made.

We have about 20 years to get this thing done. I would urge the parliamentary secretary to the minister of health and welfare to try to convene the committee and let us start starting. I am not talking immediately, but I am talking about reconvening the committee to have a look at the Canada Pension Act from one end to the other, and spend our time doing something constructive as a committee.

We all know those problems are there. We know there are certain procedures we have to follow, but we should start immediately to go through the Canada Pension Plan, really look at those areas as a committee, start to do something in advance and start to talk to the provinces. Then coming back in a meaningful way at the proper time we could bring about the kind of required changes that are going to be needed for the whole Canada Pension Plan. Let us get on with the new technologies, let us go on with the provisions of some retraining, let us go on with the provisions of allowing disabled workers to get back into the workplace in some meaningful way.

I enjoyed that committee very, very much. I think the witnesses, the people, the actuary and the information we received were excellent. I still say let us not leave it there now, let us continue on in a meaningful way.

The Acting Speaker (Mr. Paproski): Questions or comments? Debate? Before I recognize the hon. member for Swift Current—Maple Creek–Assiniboia, it is my duty pursuant to Standing Order 38—

[*Translation*]

—to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Notre-Dame-de-Grâce—Racism; the hon. member for South West Nova—National Defence; the hon. member for Gatineau—La Lièvre—Agriculture; the hon. member for Trinity—Spadina—Immigration; the hon. member for Stormont—Dundas—Cross-border Shopping.

[*English*]

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I welcome the opportunity to speak again on the subject matter of this bill. It is now at the third reading stage, and I want to say that I am in support of Bill C–39 over all. I think it is an improvement over what we have had. It improves the child benefits, it improves the funding arrangements to maintain the solvency of the Canada Pension Plan, some pretty fundamental and important changes.

What I have to express again though is my disappointment with some things that perhaps ought to have been in this bill and are not. I guess I do so simply to flag them for the future. My pet peeve in this thing is the situation of those Canadians who have contributed over the years through their wages or employment into the Canada Pension Plan, who develop a disability and as a result of the disability have to leave their employment, and who wind up applying late because they did not know of the existence of the Canada Pension Plan disability pension.

By the time they learn of the availability and make their application, lo and behold their eligibility time has run out. At the present time they had to have contributed for two of the past three years or five of the past ten years.

I want to refer again to the really classic case of Mrs. Donna Sinclair of my community of Swift Current, Saskatchewan. This lady contributed to the Canada Pension Plan through her wages from the inception of the CPP in 1966 until 1978. She contributed for 11 of those 13 years. She did not know about the existence of the disability pension. She became disabled and had to leave her employment and it was not until 1987 that she applied. At the time of the application and looking back, it was discovered that she did not meet the required number of years in the contributor period, despite having contributed for 11 out of 13 years when she was working and up until the time of her disability. I believe it is an unfortunate injustice.

That may be partially remedied as a result of the passage earlier this week of Bill C–280, a private members' initiative that was put forward by my hon. colleague from Don Valley East. The gist of that bill would be to change the eligibility criteria to people having contributed in at least one third of the years in the contribution period.

If that bill does receive the approval of a sufficient number of the provinces with a sufficient amount of the population, then it may be that people like Mrs. Sinclair will qualify. We will have to wait and see.

I am disappointed with what I believe to have been undertakings in this place in 1988 and 1989 that this particular problem would be reviewed and it would be discussed the next time there were federal-provincial discussions about amendments to the Canada Pension Plan legislation.

Unfortunately, despite those commitments it is apparent it never did occur. I note again that those kinds of commitments have been given. However, I do believe that this time something will come of it. The hon. parliamentary secretary has indicated that the minister is sending letters to his provincial counterparts concerning this particular problem and that copies will be made available to the House and to the appropriate committee. One can only hope that the next time this comes around the subject matter will be addressed.

I want to at least congratulate the parliamentary secretary and the minister for taking hold of this initiative at this time. I think it is very regrettable and I think a number of disabled Canadians will find it regrettable that this action was not undertaken sooner.

I simply want to go on record again as being in favour of the improvements to the Canada Pension Plan regime that are contained within Bill C–39, but would certainly want to see further improvements. I do hope the provinces will see fit to approve the measures contained in Bill C–280, which was passed in this place earlier this week. I do look forward to some fine tuning of the act in the future as it relates to the plight of those disabled Canadians who apply late for their benefits and who are accordingly excluded because their qualifying period has expired.

I want to conclude my remarks at this point. I would be happy to answer questions any member may have.

Mr. George Proud (Hillsborough): Mr. Speaker, as I rise today to take part in this debate, listening to all the great debaters who have spoken on this issue before me today, I wonder as we look down the road at this great Canada Pension Plan what kind of a program we are going to have at the end of the day.

• (1650)

I ask myself and this House, are we going to have a better program for the people who are out there or are we going to have a program which fails them as the years unfold?

It is said in order to avoid passing on current debts to future generations of Canadians we must increase payments today. The failure to provide funding today, keeping in mind that today refers to a day, this day, still in recession, means that a lot of jobs are still being lost. It means retraining those workers who are now out of the work force. Today also reminds us of those people being laid off at ages 50 and 55.

Let us be honest here. These people cannot go back and be retrained. They are not going to be able to contribute to this Canada Pension Plan any further. As we look at the acts that have been talked about and dealt with, Canada Pension Plan, the Family Allowances Act and the Old Age Security Act, we can see that these are three very important pieces of legislation which have been at the centre of our social safety net for years.

As tough times come in their days, we promised to always look after our younger people, our older people and our disabled people. I want to, as I did some time here before, quote a statement made by the late great Senator Hubert H. Humphrey: "The moral test of government is how it treats those who are in the dawn of their life, the children, those who are in the twilight of their life, the aged, and those who are in the shadows of life, the sick, the needy and the handicapped".

I think this is what we need to look at today as we prepare to make amendments to this bill. Are we adequately preparing ourselves as members of Parliament and contributors? Are we as the custodians of this pension fund looking after the interests of the men and women of our society or are we looking for another way, a cheap way, to take another tax grab from the public? If this is another tax grab, then it is wrong.

I believe fully and wholeheartedly and have supported unconditionally anything that will increase the pensions and the benefits of Canadians. I believe that this Canada Pension Plan is one of the greatest pieces of legislation ever introduced in this country. I wonder if we are doing the right thing. Are we sincere? Are we really going to make this a better plan? Are we committed to it in this House?

It is a contributory plan, contributed to by the employer, the employee, by self-employed people and by the interest that it earns itself over the years. I believe as we look at the pension plan this is the only pension plan that a lot of Canadians have or will ever have. They are not fortunate enough to work at a company or be in government where they can contribute to another private plan or government run plan. They must look in their later years to have this and hopefully still have the old age pension plan to go along with it.

I really wonder as I take part in this debate and listen to all of the debates across the floor here today and yesterday if we are doing all we can as legislators. Are we making sure that this pension plan is going to be there for the people growing up, for the people who have not yet entered the work force?

I believe we owe it to Canadians to make this a plan that is the envy of the world. I would hate to be one who would take part in making it lesser than that.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I would like to compliment my colleague from Prince Edward Island on a very excellent presentation.

As we discuss Bill C-39 today, an act to amend the Canada Pension Plan, the Family Allowance Act and the Old Age Security Act, my colleague spoke fairly eloquently about certain aspects of the bill. However, I would like to ask him if he could elaborate a little on some of the cases in his riding and some of the difficulties people in his riding might have had in trying to get their pensions and trying to make ends meet.

According to some of the reports such as the one prepared by the National Council on Welfare, it seems that a senior citizen, for example, who is to receive the maximum CPP and the maximum Old Age Security pension as well as the Guaranteed Income Supplement, according to 1989 statistics, would end up receiving approximately $12,217 which, for a city such as ours here in Ottawa, is at most about $200 above the poverty line. In a city such as mine, Ottawa, the maximum a senior is receiving is just about at the edge of the poverty line.

I wonder if my colleague can share with us what is happening in Prince Edward Island and what kinds of problems are being faced by the its seniors.

Mr. Proud: Mr. Speaker, I want to thank my colleague for the comments and the question he has posed.

I am concerned, as are most people in this place, about the adequacy of these pension plans. Many seniors have worked all their lives and are in a position in which they have not been able to pay into another private pension plan and are now looking to this pension plan and the Old Age Security as the only pensions with which they can pay their rent, groceries and other living expenses.

I find this very unfortunate. I believe that we, as members of Parliament, always have to be on the lookout to make sure that when we amend legislation such as this, we are doing it with the full interests of all Canadians at heart. I hope to see some day everybody in Canada, the younger people coming up, having the opportunity to pay into pension plans and that this pension plan is one that is adequate to look after people when they reach an age when they can no longer work or do not want to work any longer, when they want to retire with some dignity.

There are many organizations in this country, along with government, that have that responsibility. It is unfortunate that many of our senior citizens today find themselves in that category. I know people in my riding who retired from companies. A lot of them were Crown corporations. They retired back in the 1970s on an amount of money, let us say $500 a month, and today it is still $500 a month. That is not very much money to live on.

I believe there has to be over-all pension reform to ensure that this never, ever happens to the younger people of our society.

Regarding the hon. member's other question of people coming into my office asking about the Canada Pension Plan, and I am sure I have the same type of people coming into my office as you have, one of the big problems is the eligibility for receiving disability benefits from the Canada Pension Plan. Hopefully these amendments will speed up the process. It seems that everybody I have dealt with who has this problem of not being able to work and has no money coming in applies for Canada Pension and is automatically turned down. There must be some way of changing that situation, making the disability benefits more accessible to these people. I do not think that somebody should get it and I am sure nobody applies for it that is not eligible for it. But this seems to be the norm, that everyone who I deal with who applies for it is turned down in the first instance. They go through an appeal and are probably turned down in the second instance and eventually they are eligible for it.

• (1700)

I heard many speakers say here today when they were talking about speeding up this process that the people who are doing it have to work within the laws. I think we as the legislators have to be able to change the laws to give that person who is applying the benefit of the doubt. We have to give them the opportunity that they are going to be able to get that and that they know they are not going to lose their house or apartment by not being able to pay their rent. These are areas that we have to make sure are taken care of.

I again go back to the questions asked about the amount of money people are getting. Certainly there is not enough money and there is never going to be enough money. I am a great advocate of pension plans and I believe that everybody should have the ability to pay into a pension plan. As legislators we should make this Canada Pension Plan a much more lucrative plan. I believe that Canadians would be willing to contribute more money to have a better pension down the road.

It is a hard sell to young people who have a pension plan in their company. I saw this happen two or three years ago where the company said: "Okay, you have two choices this year. You can lower the eligibility age or you can put in money to index the pension". Of course a lot of the young people said: "Well, we want to lower the age that we can go on pension". Those are things you pay for in years to come. There are people now who would like to have had that indexing in there and it is not there and that is unfortunate.

The Acting Speaker (Mr. Paproski): Before I go into Private Members' Business, I have received written notice from the hon. member for The Battlefords—Meadow Lake, Mr. Taylor, that he is unable to move his motion during Private Members' Hour on Friday, November 29, 1991. It has now been possible to arrange an exchange of positions in the order of precedence, pursuant to Standing Order 94(2)(a).

Accordingly I am directing the table officers to drop that item of business to the bottom of the order of precedence. Pursuant to Standing Order 94(2)(b) Private Members' Hour will thus be suspended and the House will continue with the business before it prior to Private Members' Hour.

It being five o'clock, pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CANADA ELECTIONS ACT

MEASURE TO AMEND

Mr. Rod Murphy (Churchill) moved that Bill C-283, an act to amend the Canada Elections Act (election expenses), be read the second time and referred to Legislative Committee H.

He said: Mr. Speaker, I am glad to have the opportunity to introduce this bill into the House of Commons. It is the first time I have introduced this specific legislation, although I have dealt with similar legislation in the past.

The purpose of this legislation is to clarify the definition of election expenses as it relates to the costs incurred by individual candidates and political parties during an election.

Members of the House who were here prior to the 1988 election will remember a committee of the House of Commons looked into the affairs of Marcel Masse, the cabinet minister, and his election expenses in the 1984 campaign. We were all shocked to find out that Elections Canada had deemed that a lot of expenses that were conducted by that campaign were not to be included in the election expenses. They were called by a new definition "campaign expenses" and did not come under the limitations that the legislation which was passed in the early 1970s called for. In other words by spending money in certain areas that candidate in his campaign was able to spend a lot of money and basically ignore the limitations that the legislation had called for.

As a result of that loophole we found out that that category had expanded in 1988 and that a number of campaigns had spent money in those areas. We do not believe that is fair.

The legislation passed by this House of Commons almost 20 years ago has been the law of this land for that length of time. It specifically calls for a limit on the amount that a campaign can spend at the riding level and a limit at what can be spent at the federal level.

I realize that there is a royal commission at the present time and that the royal commission has also been asked to look at this particular issue. I am concerned knowing that royal commissions of the past have tended not to report by the time that was specified. It does not look like the commission itself will report until January.

Even with the best of wills in this House of Commons and even a very non-partisan approach from the royal commission to the legislation that will come does not guarantee that any draft legislation or any follow-up legislation to the royal commission will be in place in time for the next federal election.

We know that traditionally we do not invoke parts of the election act until one year after it has been passed by the House of Commons. We know that in 1974 we had an election using old election legislation even though the House of Commons and the Senate had passed new election legislation.

The reason that occurred is that the election legislation that passed prior to the 1974 campaign was not passed soon enough to allow the mechanisms to be put in place and acted upon. I am very concerned that even if the royal commission comes down with a very firm definition on election expenses among the other things that it has to deal with in its mandate there is every chance that this House of Commons will not have passed new legislation in time for it to be in effect for the next federal election.

I basically tried to take a non-partisan approach to this legislation. The original wording came from the Ontario legislation obviously passed prior to the election of Bob Rae. It therefore obviously was not put together by the New Democratic Party.

Mr. Milliken: It may have helped. I am sure it was all—

Mr. Murphy: To make the hon. member from the Liberal Party feel good, yes, the legislation in Ontario which has been in place for some time now had been passed with the acceptance of all parties.

What I had done is basically taken that legislation, change it to reflect the federal situation and add a few categories where I believe we need some clarification.

The approach is basically this. We are saying that all amounts spent, all expenses and liabilities, including those related to opinion polls incurred for the purpose of promoting or opposing directly or indirectly during an election, "a particular registered party for the election of a particular candidate other than" must be included.

I have listed eight exceptions which I am sure all members of this House would agree on had they read the legislation prior to speaking in the House.

Here are some of the exemptions. First, things like the fees of auditors and accountants. We all agree that those should not be included in an election expense because they are basically fees that are required as a result of the election act to make sure that our books are in order.

Next, expenses incurred in holding a fund raising function. Next, expenses incurred for parties or advertising taking place after the close of an election. Most often those are thank you notes. Next, offices and equipment rentals for the purpose following the close of polls. Finally, the deposit of a candidate for nomination. These are certain things which should not be included in the definition of election expenses.

To be fair to all parties and all candidates, everything else should be included as an election expense. Then it is up to each of the parties and to each of the candidates to decide how they want to spend their money. So one does not create artificial areas where one spends money because it somehow is exempt under the election legislation. What we are saying is: "Let us treat everybody equally". If I decide to spend more money on canvassing and less money on radio, that is fair, that is a decision made by myself and my campaign. And we should include those amounts in the election expenses.

• (1710)

Some people who have been around in this House will recognize that the inclusion of polling is something new. Right now it is not included as an election expense despite the fact that hundreds of thousands of dollars are spent by each of the political parties on polling during an election campaign.

I think a definition which excludes one of the major components of all parties' campaigns is obviously a definition which is not accurate and which does not reflect the political reality of today. I think we could all guarantee that if there was not an election going on, this money would not have been spent. You can bet that Decima for the Conservatives or the other political polling units for the other parties would not be engaged in polling on a night by night basis if it was not for the fact that an election was going on.

We do know unfortunately that parties have changed their messages, their targeting of advertising and the communities that the leader visits on the basis of polling results. Unfortunately for some parties they basically changed their policies as a result of polling results.

For us to exclude polling and say that is not an election expense is to ignore the reality of today.

I would be the first to say that this legislation may not be perfect. But I remind the members of this House that this is private members' hour. I would ask them to look at the legislation and then allow it to go to a legislative committee because this was not one of the bills that was chosen for an automatic vote. That will not happen unless all members of this House agree. But we are not saying that this legislation must be passed. We are not saying that this legislation cannot be amended. And we are not saying that this legislation must come back to the House for third reading.

But what we are asking, and what I am asking specifically, is that the members of the Liberal Party and the Conservative Party and the other blocs and independents who are not here right now let it go forward. We ask to let it be examined and let us be in a position that regardless of what happens with the royal commission, we have the ability to examine one of the most fundamental parts of our election legislation.

I say that not only because we need to clean up our elections act but because of the attitude that is out there in the public at the present time. We know the kerfuffle that has existed with regard to conflict of interest legislation. We know that with regard to the Parliament of Canada Act, there is a perception that we do not pass legislation which enacts against the interests of members of Parliament. I see members in this House who sat on that committee. That is the perception. And I am telling you, Mr. Speaker, that the publicity that came out of the committee that looked into the Marcel Masse affair created that same type of atmosphere.

Here is an opportunity regarding conflict of interest which one of the members in the House—a Conservative member to be fair—raised in statements today. The disclosure of our expenses is an area where members of Parliament can help to clean up the reputation of Parliament. I would hope that members from all sides would take that approach.

I am not saying that this legislation is perfect. I said that earlier. But I think it is a step in the right direction. I know that members in this House who have sat on committees looking at the Elections Act and others who have appeared, including my colleague from the Liberal Party, before the royal commission know that this is an area that we have to act upon. To be fair to the Liberal representative, I believe that he has introduced similar legislation in the House of Commons and that the Liberal Party in a well thought out section of its brief to the commission basically plagiarized my private member's bill. At least I admit that.

I want to say that obviously this is not a partisan approach. I and representatives of other parties have gone before the royal commission to say this is what we need. I do not believe that it would be in the public interest or in the interest of Parliament or in the interest of any of us to go into another federal election with the definition of election expenses that does not hold any water.

It would be quite ironic if a member for Trinity—Spadina living well within the limits of the present election expenses spent $50,000 and was below the limit of that particular riding but at the same time was in a position to spend $40,000, $50,000, $80,000 or $100,000 beyond that on items that are not considered to be election expenses.

If my constituency or any other one spends $150,000 in an election campaign, that should be declared. That is the only fair way of dealing with it. Perhaps there are some items that should be excluded. Perhaps it could be money for the disabled. Perhaps it could be money for child care. Perhaps in large ridings like my own there should be an exemption for some of the candidates' travel costs. They should be included in terms of expenditures, but we understand that they are also costs which we may decide that in fairness should be excluded. These exclusions could be for the handicapped or for child care for women who might be going into politics. We do believe that the vast majority of items which are used in the regular ongoing activity of an election must be declared and must be subject to the legislation which was passed in the early 1970s.

To do otherwise just creates the suspicion that we really do not care, that we have passed legislation and made sure that such legislation has existed to benefit only us, and that we want legislation which is so loose that parties can spend hundreds of thousands of dollars on polling and not have to declare it, so that we can spend money.

One of the ironic situations in the legislation as it is now drafted and has been interpreted is we can basically hire every voter in our riding to work for us for $10 on election day. As long as that is less than the minimum wage it is not an election expense.

Some people might find that suspicious. Under the interpretation, if we give an honorarium to someone to work election day and it is less than two-thirds of the minimum wage of that province times that number of hours of work, it is considered to be just kind of covering the expenses of a volunteer worker. It is a wonderful formula.

We have some very large loopholes in our elections act. Rather than encouraging people to use their imagination to abuse the system, let us pass legislation which shows that we in the House of Commons are concerned that elections be clean and fair and that the rules under which we conduct elections are honest and easily understood. Let us make it so that ordinary Canadians know exactly what the rules are and whether or not we are playing by those rules. To do otherwise I think works in the worst interests of all of us.

I would hope and ask for the co-operation of all members in the House this evening to pass this legislation.

[*Translation*]

Mr. Marc Ferland (Portneuf): Mr. Speaker, I welcome this opportunity today to speak to Bill C-283, introduced by the hon. member for Churchill. In his speech, the hon. member said that his bill would clarify the current definition of election expenses contained in the Canada Elections Act.

• (1720)

Perhaps I may start with a short summary of the current definition of election expenses. Under the act, the term "election expenses" means: (a) amounts paid, (b) liabilities incurred, (c) the commercial value of goods and services donated or provided, other than volunteer labour, and (d) differences between amounts paid and liabilities incurred for goods and services, other than volunteer labour, and the commercial value thereof where they are provided at less than their commercial value. All of which are for the purpose of promoting or opposing, directly and during an election, a particular registered party, or the election of a particular candidate. The act goes on to provide examples of such election expenses, including the cost of acquiring the right to the use of time on the facilities of any broadcasting undertaking or the cost of acquiring the services of any person, and so forth.

The hon. member tabled Bill C-283, which, according to the explanatory note, provides a broader definition of the expression. The definition we are considering today provides that "election expenses" means all expenses and liabilities, including those related to opinion polls, incurred for the purpose of promoting or opposing, directly or indirectly during an election, the particular registered party or the election of a particular candidate, other than certain expenses, fees, deposits and transfers of money, such as office rental expenses, fees of accountants, and so forth.

The hon. member pointed out that the Canada Elections Act needs a thorough review. I think we all agree that the current legislation should promote and reflect our democratic system, in other words, a fair and democratic electoral system that constitutes the basis of any democracy. Some countries are still struggling to establish their democratic system. Canada is one of those countries that has a well-established tradition of respect for rights and democracy. The Canada Elections Act has been amended several times, always with a concern for having the best possible electoral system.

Our electoral system must work in such a way that candidates are able to express their ideas, and voters are able to participate as informed and enlightened citizens in the electoral process. Rules and control mechanisms are necessary to regulate this process.

I think we all agree that a review of the Canada Elections Act was necessary, which is why the Royal Commission on Electoral Reform and Party Financing was created in November 1989. The Canada Elections Act has not been subject to a thorough review since the middle of the seventies. The mandate of the commission is to investigate and report on the principles, procedures and rules regulating the election of members of the House of Commons as well as the financing of political parties and candidates during election campaigns.

The commission heard a lot of evidence relating to public financing, the financing of parties and controls, the organization and financing of riding associations, political party regulations, ceiling and posting of election expenses. The commission also dealt with the following issues: Should the expenses of local candidates continue to be restricted during federal election campaigns? If so, what should this ceiling be? Should the definition of "election expenses" be relaxed? If so, what expenses incurred by candidates and parties should be excluded? Should pre-election expenses incurred by parties or local candidates be controlled or not? To what extent should volunteer labour during a campaign be considered as a donation or an electoral expense?

I understand that the commission heard the testimonies of 30 some people who considered the definition of election expenses and ceiling. It seems that most of them were in favour of a more flexible and more precise definition than the existing one.

The Ontario Commission on Election Financing recommended that the federal law use Ontario's definition of "election expenses" and consider all expenses made by or on behalf of a candidate to be election expenses, unless specifically excluded.

Some groups and individuals recommended that limits no longer be set for some expenses, in particular administrative expenses, office rental and volunteers' expenses.

The Royal Commission on Electoral Reform should publish its report very soon. I think that we would be well advised to wait for the commission's results before taking a position on the question before us today.

Before I conclude, I would like to tell you that there is some question as to whether persons loaned by a company or a union at election time should be considered volunteers or full-time staff. The present law is ambiguous on it. This point was raised with the commission and many Canadians have questions about it. I think that on this score, I will wait for the commission's recommendations to clarify the situation. If he did the same, my colleague from Churchill might avoid remarks from some members of this House that he does not appreciate but which reflect reality.

One may wonder whether someone who takes a position as a volunteer but is officially paid or could be considered to be paid should be counted. I think that the commission should answer all those questions.

In conclusion, I come back to what I said at the beginning. I think it is somewhat premature and may show disrespect for the royal commission, which was created in 1989 and is to report on its work shortly, if we try to set up another parliamentary committee to study exactly the same issue as the royal commission.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I heard the hon. member for Portneuf and I regret that he finds it impossible to support the bill introduced by my friend, the hon. member for Churchill. The reason given by the hon. member is the same one we heard earlier today from the government House leader. We asked the government to introduce the enabling legislation for referenda and the government House leader said that he and his government were waiting for the report of the Royal Commission on Electoral Reform.

I regret that the government House leader should have a problem on this. The government had promised to do it and now it might be withdrawing that undertaking. I believe it is a problem for everybody, but the fact that a commission is studying the matter is no reason to stay idle when faced with the difficult questions raised by the bill in the name of the hon. member for Churchill.

[*English*]

The bill is one that I want to support whole-heartedly. The principle of disclosure of campaign expenses is a sound principle that we have supported before the royal commission in presentations that the president of the Liberal Party of Canada made, that the acting leader of our party at the time made and that I made as critic for election reform matters of this party.

The hon. member for Churchill in introducing this bill is advancing the cause. In his speech he referred to the fact that in our presentation to the royal commission we plagiarized his former bill on this subject as a definition of election expenses.

The term "plagiarize" is an unfortunate one that I know he did not intend. It suggests that somewhat what we did was improper. He ought to have said that we imitated his bill because after all imitation is the sincerest form of flattery. We agreed with the hon. member in his definition. We thought it was a reasonable one and we adopted it and in our presentation we said it was his. We acknowledged that it came from that source. We were not seeking, in any way, to claim credit of authorship. We simply adopted what clearly had been worked on by the hon. member as a good definition and said we supported it.

• (1730)

We believe that the election law of Canada ought to be developed in a non-partisan way. We believe that it should be developed in this House primarily by all parties acting in concert in trying to achieve very significant and substantial agreement on what the law should be.

It is clear, in our view, that if there is no such agreement, if one of the parties in the House has a majority at the time runs roughshod over the others or, indeed, if two parties gang up on the third party and run roughshod over its rights in forming the electoral law, then we will undermine credibility in our electoral system which, of course, is not in the interests of anyone in this country.

Canada is perceived as having a pretty fair and balanced electoral system with problems here and there, but by and large our system has been the envy of many. We must do everything we can, as parliamentarians, to uphold the integrity of that system. That is why I think the bill introduced by the hon. member is an important one, because it advances the principle of disclosure of public information about the way elections are run and the way they are financed.

The whole thrust of our electoral law for the last 25 years has been to further this cause of disclosure and to set a limit on election expenses. The imposition of the limit has been vital to the success we have had in controlling election expenses in Canada. The limit that is placed on the constituency associations and candidates in the constituency during an election campaign is very important and the amount we spend is significantly less than is spent by candidates in the United States where there is no such limit on expenditure.

The fact that there are so many expenditures that are excluded from the current definition is a cause of concern because those expenses can career out of control. The fear is that the poll will be used as a means of campaigning in future. I think the hon. member, in advancing his bill, perhaps did not stress that aspect of polling very strongly. It is one of which we are keenly aware. Certainly it is clear from the American experience, from what I was able to learn as result of the work with the royal commission, that pollsters take advantage of the fact that they are polling to pass on a partisan message in support of the candidate for whom the poll is being conducted. In other words, the poll may be there to elicit certain information, but it may also be conducted in order to convey support for or information about a particular candidate and thereby assist in the election of the candidate, not merely solicit information.

If that kind of poll is allowed to go on and the cost of the poll is not included as an election expense, then clearly we are putting coach and horses through the election expenses law that we now have in place. The hon. member's bill accordingly seeks to correct that anomaly. I think it is a fair and a proper correction. I hope that we could advance this.

I see no reason to wait for the report of the royal commission. I know the government is very keen to wait for that report, but when the commission was initially set up we were told the report would be forthcoming in September of this year. It will be December next week and we know that the commission report is not coming down this month. It is late. The next election is expected next fall. If the government follows normal constitutional practice and gets out of office at the end of four years, as it should do, then we will have an election next autumn.

There is not time for Parliament to deal with a major change in the electoral law between now and next autumn and have the Chief Electoral Officer of Canada in a position to administer that new law for an election next September, October or November.

I know the hon. member for Halifax West is reluctant to go to the people that soon. He is aware that if he does he will get thrown out. That is too bad but that is the price you pay for running a bad administration. The hon. member should be enthusiastic about going to the people and giving them an opportunity to express their views on his government's record, the government that he supported. If he thinks the record is so good, then I know he will be confident in going to the people because he knows he will win.

If he recognizes, as we do, that it has been very bad, he will be reluctant. I can see the reluctance is there. I suspect he knows the truth. Perhaps that will keep him quiet for a few minutes.

It is important that we look at the question of dealing with this legislation immediately. In my view, there is a lot of legislation, a lot of bills on the Order Paper dealing with elections, including my own. The hon. member referred to a substantial item which, unfortunately, I cannot get drawn. I notice there was another draw today and I have missed again. If I could win a draw on a bill, I assure the hon. member I would bring this forward in a serious way to try to deal with this issue. I am afraid that by the time the report of the royal commission gets here, and by the time the government decides what it is going to do with the report, it will be too late for us to put in place the changes in the electoral law that we ought to have in place in order to run the next campaign.

That is why I have had this bill sitting on the Order Paper for over a year and why I have sought to advance it. Unfortunately, because of the luck of the draw, I have simply not been able to do so.

This is a significant but small move as part of what I believe should be a larger package of reform. I am happy to support the hon. member in his efforts. I wish the government would give its unanimous consent today to allow this bill to proceed to committee where we could study it in some detail. As I say, it represents a substantial improvement in the law and we are happy to support it. I hope the government will do so in order that we can get on with this important matter.

Mr. Doug Fee (Red Deer): Madam Speaker, I too am pleased to have an opportunity to speak on Bill C-283 submitted by the member for Churchill.

This bill would involve an amendment to section 2 of the Canada Elections Act. Specifically, it proposes changing the definition of an election expense.

I am not going to imitate the opinion of the member for Kingston and the Islands but I must agree that the definition of "election expenses for candidates and political parties" is vague and can be subject to widely differing interpretations. At times the application of the definition can seem to be quite arbitrary and this has led in many cases to confusion and the possibility for both intentional and unintentional abuse.

This is my first term in this place and the election of 1988 was my first. I was lucky to have an official agent who was a stickler for detail. He insisted that we follow his very strict definition of what an election expense was. We did, but there are still many, I do not want to call them debates, but we had a lot of active discussions about what was and what was not an official election expense.

I have talked to more experienced members in this place and know that the concern about interpretation is not limited to new members. The problem has been recognized and it is already being addressed outside the context of this bill. The Royal Commission on Electoral Reform and Party Financing was set up by the government in November 1989 to do a comprehensive review of electoral legislation.

I am advised that the commission has heard and read many submissions which address the definition of election expenses. The sponsor of this bill and all of us who have been through the electoral process understand why these submissions have been made. The very fact that this topic was considered to be an issue by so many people should tell us that it is time to consider a clear and comprehensive definition of election expenses.

Many of the submissions to the royal commission contained recommendations on how to change the legislation with respect to election financing. Most of the recommendations contained proposals to change the definition of an election expense. This is a recognition of the pivotal role played by the definition of election expenses in the application of the election financing laws. Proposing a new definition for election expenses is no doubt a challenge. However, there are so many related issues to examine and questions to consider.

The Canada Elections Act contains many complex rules with respect to accounting for election expenses. Therefore, the definition of an expense must be very carefully laid out.

Decisions involving finances have to be made quickly and candidates and their parties have to be aware of their rights and obligations. I do not agree with the haste put forward by the hon. member for Kingston and the Islands. I do not think there is a great hurry because we have about two years before the present mandate expires. We have two years before the next federal election is required.

There are many important initiatives that have to be completed before this mandate does expire and I look forward to seeing them completed. However, at the same time, even two years goes quickly. Time seems to compress itself.

• (1740)

I do think it is important that we proceed fairly quickly because in order for the electoral process to work properly in the next election and in subsequent elections, candidates and their official agents must be able to judge whether their particular expense will qualify as an election expense or not. This is one of the fundamentals. It seems that the process could be improved through a revision to the definition of election expenses.

The member for Churchill has made an attempt to improve the electoral process by introducing Bill C-283. We, and many members of this House, can applaud him for his efforts although we do not necessarily agree with all the results.

There is a place in this House for private members' initiatives, a very important place. Private members' business should have more priority than it does, but I am concerned that this issue is more complex and the impact more far reaching and is far too involved for us to resolve within the context of a private member's bill.

The proposed definition in this bill is more all inclusive than the current definition. It says that election expenses mean all expenses and liabilities and then lists specific exclusions. The current definition simply lists those items included. The definition contained in this bill is seen as broader than the current definition of an election expense.

Before we examine this definition any further, it should be pointed out that the definition of election expenses is central to the regime set up in the elections act for the control of election activities.

It is therefore impossible to agree to the contents of this bill without considering how it affects other provisions in the act and the way electoral campaigns will be run. Any change in the definition of election expenses will have far reaching consequences.

One of the significant consequences of changing the definition of election expenses is its impact on spending limits. As we all know, the act imposes a limit on spending of election expenses for a candidate during an election. The limit is based on a formula related to the number of names on a preliminary list of electors and the candidate's electoral district.

Those of us in this House will know by experience, but for the sake of those reading or anyone watching this debate, we should mention that the base amount begins with a dollar for each of the first 10,000 names. It is 50 cents for each of the next 10,000 and 25 cents for each name over 25,000.

As I understand it, the limit is then adjusted if the number of names on the preliminary list is less than the average for all electoral districts or if the number of electors per square kilometres is less than 10. The spending limit is also raised annually in relation to the consumer price index.

Since the expenses definition in this bill is more inclusive and broader than at present, this will almost certainly mean that candidates will reach their election expenses limit faster since more items will be included. In other words, the inclusion of many more activities and expenses within the definition would increase the total expended.

This would mean that unless the limits are increased, the definition may create hardship for parties and for candidates. I have to indicate my strong, personal objection to increasing those limits. It is time for politicians of all parties to start setting an example of fiscal responsibility and respect for taxpayers' dollars.

It is time to lead by example, and it is not the time to increase the amount of money we can spend on elections or any other thing. I sincerely hope we are all aware of the importance of spending limits and financial controls for the electoral process. They are there to provide some assurance that one particular candidate cannot because of access to more funds have an unfair advantage over the other candidates in the campaign.

We talk a lot in this House about a level playing field. This is the level playing field which allows all candidates to present themselves fairly to the electorate.

I cannot over-emphasize how critical this concept of spending limits and the related concept of election expenses are to our democratic system. Not only does the definition of an election expense affect spending limits, it will have far reaching implications with respect to other provisions in the act.

It is one thing to suggest a new definition for a single concept in a piece of legislation, it is quite another to consider all of the implications the new definition may have on the piece of legislation as a whole. That is what this bill is missing, it is missing the over-all comprehensive assessment of the election expenses scheme and that is why I cannot support it.

As I mentioned earlier, the royal commission has been receiving both oral and written submissions on the issue for two years. Included in the submissions I understand that some 30 interveners have commented on issues related to the definition of spending limits on local campaigns.

Most of the interveners favour the development of comprehensive definitions of election expenses, a comprehensive definition which is much clearer than the definition which now exists. The royal commission will be reporting to us in the near future. It has been working on this issue for over two years. I believe it is our obligation to hear what the commission has to say on the topic of election expenses before we take legislative action in this House. To do otherwise would indicate that we have no respect for the judgment of the commission or those who provided input.

We have all had the opportunity to sit on committees of this House. Most of us have presented reports and several of us have been irritated when those reports seemed not to have been listened to. Let us not jeopardize the future recommendations of this commission by making a premature decision.

The commission will have taken into consideration the full implications of changing the present definition of election expenses. That was a key part of its mandate. It will have looked at the issue in depth, and I am sure we can benefit from its efforts.

As I said, the commission's report is expected very soon. We should provide it the opportunity to fulfil its mandate and, when it does so, we can look at its recommendations as a package. it is my view that changing the definition of election expenses could have such vast consequences for the Election Act as a whole that we have no choice but to look at this in the context of a package of reforms.

There is little doubt that if we amend the provision in the act containing the definition of election expenses we will need to amend other sections in the legislation as well. An integrated set of reforms is what is needed.

The definition of election expenses is not the only imperfection in the election laws. There are many other issues before the commission and these too will be addressed in its report.

My position is that we should wait until the royal commission delivers its report and we have had the opportunity to review its findings before proceeding with any amendment such as that presented today in Bill C–283.

Mr. Howard Crosby (Halifax West): Madam Speaker, let me begin my remarks on Bill C–283 by underlining those made by the member for Red Deer when he said that the obligation of this House of Commons is to await the report of the royal commission on electoral reform.

To do anything else by way of tinkering or tampering with the provisions of the Canada Elections Act would be to fly in the face of the efforts being made by that royal commission which really represents not only the Government of Canada but the people of Canada in the process of electoral reform. It has given an opportunity to all Canadians to appear before the commission and air their views on changes in the Canada Elections Act.

This is especially true of the matter of election expenses which lies at the heart of the whole electoral control system. We could talk about election expenses on the one hand and the definition of election expenses, but that extends over into the limits on election spending and a number of other areas that are really at the heart of the control of elections across Canada.

I do not think there is any doubt that the proper course for the House of Commons is to examine this bill and take an interest in any recommendations for change in the elections law, but when it comes actually to changing the provisions of the Canada Elections Act we should only do so on the basis of recommendations made by the royal commission on electoral reform.

I want to make some remarks about the whole process of election expenses. I have a very personal interest in the matter because I happened to be involved in the first elections that took place in Canada under the new provisions governing election expenses. These were the by–elections that were held in 1978. Since then I have faced the application of the Canada Elections Act in four subsequent elections. It is amazing how the attitude toward the provisions has changed over those five elections.

At the outset there was a fairly flexible interpretation of the rules. Over that decade the interpretations have become more fixed and more definite. The election officials are always reaching out for clear definitions.

If I may, I will at least support the member for Churchill to the extent of saying that we all recognize the need and desirability of having a very carefully crafted definition of election expenses, but I question whether this House of Commons and members of the House are at this stage of development prepared to decide in exact terms what that definition should be. I question whether we have the ability to make that determination at this point.

There are a number of myths that I would like to explore connected with elections and election expenses.

• (1750)

The first is that there is a correlation between the amount one spends and success in an election. I do not have to look any further than my own constituency and the last federal election to disprove that point.

In the last federal election expenditures in Halifax West, my own constituency, by the New Democratic Party candidate exceeded the expenditures made on my behalf in the election campaign by a considerable amount. I think it well may be that New Democrats saw the possibility of victory in their own defective way and that caused them to spend the amount of $44,434 on the election. Whereas in my own case the amount was $36,535. It was a very modest amount considering the limitation applicable to Halifax West, but here is the point that I want to make.

In 1988 the number of votes acquired by the New Democratic Party in Halifax West dropped to 9,011 from 11,626 in the 1984 election. That drop represented a decrease from 20.8 per cent of the entire vote to 16.3 per cent.

I can understand in a way why members of the New Democratic Party are concerned about election expenses. It is because they proved, at least in the case of the federal constituency of Halifax West, that the greater effort in terms of expenditure of funds did not produce the electoral result they presumably wanted to achieve. Their vote dropped in terms of numbers and percentage and their election expenditure went up very dramatically.

We ought to recognize that there are a number of aspects and factors involved in expending money on an election campaign. If I had my own desire, the amount that one could spend would be dramatically limited. Some items could even be excluded such as signs on lamp posts and other public places that are an annoyance in some cases to the public and contribute very little to the electoral process.

I think we should be considering some of those items. What is an appropriate object of an electoral expense? This can be done by a group like the royal commission on a non-partisan, objective basis. That would result in a better election law for all candidates and in turn for all Canadians.

If we review the current definition of electoral expenses which we all agree is inadequate and causes amazing difficulties, I do not think anybody would support continuation of the exact provisions of the current definition of electoral expenses. But whether the provisions proposed by the hon. member for Churchill in his Bill C-283 are an appropriate change and reform is another question.

Let me give one example. The member for Churchill mentioned that under the current definition one could expend money on election day to provide financial assistance to workers. Provided it was below a percentage of the minimum wage it would not be considered an election expense. I think that determination is fraught with error. I hasten to point out, in case anybody is interested, that my largest election expense included in that very modest amount of $36,535 was $14,000 for that exact service, to defray the cost of those who worked on election day knowing that they had to pay for child care, knowing that they had to incur expenses for meals, knowing that they had to provide transportation. In the case of each poll we provided a modest amount of money to defray those kinds of expenses. The total of all that expenditure was $14,000 and was over a third of the total expenditure.

When the member says that amount does not have to be included in election expenses, I wonder what other members did with respect to the reporting of their election expenses. The point I am trying to draw from that is that there is a definite lack of uniformity in accounting for election expenses.

When we look at the division and the classification of election expenses as we go over the report of the Chief Electoral Officer respecting election expenses, we are left in the dark in terms of what exactly was expended and for what exact purpose.

As I have clearly indicated, an item that was a major item in my election expenditure is not even considered an election expenditure by some other candidates because it involves a modest amount paid to party workers to defray their expenses.

What all this leads to is the conclusion that while change is necessary and desirable and while reform is required, the appropriate body and authority to carry out those reforms is the royal commission on electoral reform. It was appointed on November 15, 1989 and involved five members of acknowledged abilities and expertise. They have held, as I said, public hearings. I think their conclusions will provide a basis for the changes that will enhance the elections law of Canada and improve the Canada Elections Act.

We all know that not only members of the House of Commons have commented unfavourably on the current provisions, but the Chief Electoral Officer in 1986 suggested the need for changes in the definition of elections expenses. That was repeated after the last federal election in 1988. I think we can all agree that change is necessary and required, but we cannot agree on this very day on what is the process by which those changes are made and the ultimate result of that process which would be the new provisions to be placed in the elections act defining election expenses.

Other members of the House in their presentations pointed out the correlation of election expenses to limits on election expenditures. If we are going to give a broad definition of election expenses we have to consider the impact of that definition on the total limitation of election expenses. I think that everyone involved in election campaigning will tend to agree that the better course is a lower limit on election expenses. It is the higher limits that can lead to poor practices in the course of campaigning.

In the case of my own constituency of Halifax West in the province of Nova Scotia, it encompasses five or more provincial constituencies. Each one of those provincial constituencies permits electoral expenses greater than the whole of the federal constituency of Halifax West.

In 1988 when a federal election took place in November—it was called after a provincial election took place in September 1988—I was faced with party workers who had acted under electoral expense rules five times as generous, if generosity is the right choice of word, as the federal limit. We had to tell people constantly that we could not provide elaborate signs and that we could not provide the written material, the printed matter that was available in provincial elections.

My clear conclusion from that experience is that the provincial election limits in Nova Scotia—and I cannot speak for any other part of the country—are far too high. That in turn involves large-scale collections in the course of a campaign. It involves too many people contributing too much money to an election campaign. That is what gives rise to public concern for mischief in the political systems.

We would do ourselves a service and we would do the people of Canada a service if we carefully reviewed the recommendations of the royal commission on electoral reform that I am sure will relate to the matter of election expenses, the definition of those election expenses, what ought to be encompassed in the definition, and what limits ought to be placed on election expenses.

If we follow that careful process, we will benefit not only the electoral process of the House of Commons but the whole Canadian electoral system.

• (1800)

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, it is certainly a pleasure for me to rise and speak in this debate concerning Bill C-283, an act to amend the Canada Elections Act, as has been put by my hon. friend from Churchill.

In speaking to it I would very much want to associate myself with the remarks made by my colleague from Halifax who just spoke. I noted the remarks made by the hon. member for Kingston and the Islands. I believe he indicated that he viewed this bill as a small step toward a needed larger package of electoral reforms. I feel that, given the proximity of the report of the royal commission which is busy studying electoral reform, this House would be well advised to wait until that report has been received.

The issues raised by the hon. member's bill are being considered by the Royal Commission on Electoral Reform and Party Financing, which was established in mid-November of 1989. Five commissioners were appointed under the Inquiries Act to inquire into and report on the appropriate principles and process that should govern the election of members of the House of Commons and the financing of political parties and of candidates' campaigns.

Over the past couple of years the commission has held cross-country hearings and has received hundreds of submissions, some of which deal with accounting issues. The commission was given a very broad mandate by the government and was asked to do a comprehensive review of the electoral legislation. I am advised that the commission is expected to make its report in January of 1992 and one would fully expect that commission, after over two years of work, would address the issue of election expenses and make appropriate recommendations for this House to consider.

The amendment proposed in this bill may well be worth while. I am not disputing that. I cannot find myself supporting it at this time because, as the member for Kingston and the Islands indicated, we need a larger package of reforms and I think we should be looking at the larger context of electoral reform before we proceed with any one single amendment. There may well be other provisions in the Canada Elections Act which would need to be amended as a consequence of this.

In conclusion I just want to say that I think members would be well advised to wait for the report of the royal commission which will be received shortly.

[*Translation*]

Madam Deputy Speaker: The time provided for the consideration of Private Members Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

RACISM

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, on September 19, I asked the Prime Minister if he would implement stronger measures to combat increased racism in Canada, but unfortunately I did not get a very satisfactory answer at that time. I have referred the matter to the adjournment debate tonight.

I pointed out on that occasion that during the past summer there were several serious racist incidents in Canada, particularly in Halifax, in Montreal, and in other Canadian cities as well.

A major story was printed in the *Montreal Gazette* of July 31, 1991, following the killing of Marcellus Francois, a young black person by a Montreal policeman. The *Montreal Gazette* reported it and the headline was as follows: "Race Relations; Official Silence is Deafening. Politicians have to speak out to ease tensions and to soothe tempers".

Not enough action and not enough leadership have been shown by political leaders at all levels, and that is why I was asking our government to take more effective action.

I realize that the responsibility for these incidents is not just the responsibility of the federal government. It is important that leadership be shown. I think there are many things we could do at the federal government level that would show examples to the other levels of government, the provincial governments and the municipal governments. We could implement more affirmative action, especially in the justice system, with our police forces, in our courts, in our prosecution and in our parole.

Unfortunately we do not see many black faces in our justice system. Consequently, when the matter of law enforcement is necessary, it is very often whites against blacks in certain situations.

In Montreal over the last few years, three young blacks have been killed by the police, two without cause in the cases of Anthony Griffin and Presley Leslie. There is the recent case of Marcellus François, and that case is still under investigation.

There seems to be an attitude at times that if you are black or if you are an Indian, then you must be guilty, and our justice system reacts accordingly.

In Halifax, on September 12 of this year a special committee said that sweeping changes were needed in Nova Scotia to deal with increased racism. That committee was set up after the riots which took place in the month of July. That committee made 94 recommendations, some of which applied to the federal government and in particular to the Atlantic Canada Opportunities Agency. All the recommendations of the royal commission with respect to Donald Marshall have not yet been implemented.

In any case, there are certain things that the federal government can do. Right now the employment equity legislation is up for review after five years. As we know, racism is linked to high unemployment, to poverty, to the lack of education and to the lack of training. I would suggest that there are many things that could be done to strengthen the employment equity legislation in order to give a better break to the visible minorities in this country which make up one of the target groups under the legislation.

Right now in that legislation there are no effective sanctions. Although the law says that companies under federal jurisdiction must have affirmative action programs for visible minorities, there is no sanction if they do not do it. In addition, the law only applies to companies with 100 persons or more and it does not apply to the federal government.

In conclusion, I would urge the government to take more effective action to combat racism in this country, to show more leadership and stop this cancer before it takes hold.

[*Translation*]

Mr. Marcel R. Tremblay (Parliamentary Secretary to Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Madam Speaker, since the coming into force in 1985 of section 15 of the Canadian Charter of Rights and Freedoms concerning equality rights, Canada has made great strides.

The federal government is committed to playing a leadership role in the fight against racism and racial discrimination. That is why, last summer, following the events in Halifax and Montreal that gave rise to racial tensions, the hon. Gerry Weiner created in Nova Scotia the Interracial Relations Advisory Group.

The advisory group, which is composed of representatives from the three levels of government and from the black community, has the mandate of developing a plan of action and of presenting recommendations toward the fight against racism. Thus, in 30 days, the advisory group has succeeded in preparing a report which it submitted to Mr. Weiner. This is an excellent example of what can be accomplished by working together.

Canada continues to uphold the basic principles enshrined in the Canada Multiculturalism Act.

Among the initiatives taken in this field, there is the creation of the Canadian Police Centre on Interracial Relations. This centre, whose head office is in Ottawa, functions as an independent organization. Its aim is to improve relations between police and the different cultural groups in Canada.

Other initiatives have been taken in order to implement a global strategy in this field such as the financing of conferences on visible minorities and the police in the Atlantic provinces and the giving of a grant to the Canadian Association of School Boards which is developing policies and strategies for eliminating barriers to equality in the schools.

Together, Madam Speaker, we can make Canada a genuine land of hope, a country where Canadians of all origins will be represented in our institutions, a country where the dignity and the diversity of citizens are protected and promoted.

[*English*]

NATIONAL DEFENCE

Mrs. Coline Campbell (South West Nova): On September 24 I asked the Minister of National Defence why a naval reserve facility would still be built when he had just set up a committee to study the excess infrastructure in the Canadian Armed Forces.

• (1810)

The minister said that it did not refer to that particular naval facility. It seems to me to be unfair that this new facility will cost millions of dollars in light of other closures that will be happening with the defence policy announced by the minister.

I want to tell the minister, through the parliamentary secretary, what the cutbacks mean to a base like Cornwallis which has a long history in the military and a long history in the navy and to now see a new naval facility being built when we are cutting back in an area which represents approximately 20,000 people who gain the benefits from that.

The Department of National Defence earlier on this year announced that the recruit levels at Cornwallis will drop by 60 per cent. Cornwallis graduated 4,100 recruits in 1989–90 and it will graduate under 2,000 from this coming year until 1996. When you think that we had a white paper in 1986 which was going to increase our defence forces and now we have one that is going decrease our defence forces, it does not seem right to the Canadian people that you can change policies like this and affect the livelihood of people.

Last week the base commander, Captain Jones, met with the people in the area to explain what this drop in recruits would mean. It means that the military staff at the recruit school would be reduced. It means that the amount of money spent in the area would be reduced. It is stated that it will drop from the anticipated $26 million that would have been spent in the area if the base were continuing in the operation mode it has been under an aggressive Armed Forces.

It is a question of fairness. Why is the minister closing bases when he is giving money to other facilities that resemble ours and that have the capacity to take on that new role? I repeat to you, Cornwallis started as a naval base.

I have tried, as an experienced member of Parliament representing an area that is very dependent on this base, to ask for other things on behalf of my constituents. One of the programs is the YTEP program which would bring in youth and encourage youth from across Canada who are unemployed to join the Armed Forces for a period of 15 months and receive training. This would keep Cornwallis going while we see, in the future, new recruits.

We have had a program and a proposal submitted to the Prime Minister on a peacekeeping training centre for Cornwallis. We have asked for more reserves and more militia to be sent to Cornwallis now that the militia and the reserves will be increased.

The minister is asking me about my time. I started at seven minutes after, Madam Speaker, and it is only ten after. I think if you check with the table you will see that there is still time left.

Madam Deputy Speaker: There might be 30 seconds left.

Mrs. Campbell (South West Nova): I do not like to see someone standing and someone else looking at me as if I have to stop before the time has expired.

This is important and I cannot help it if the House is in such a hurry to give me an answer when my constituents, the 20,000 people who are dependent on CFB Cornwallis, are seeing policies that are not helping the nation, that have not really helped the defence policy, zig-zagging back and forth. We have produced constructive proposals to help the area and yet we are seeing the layoffs, we are seeing the reduction in the base and the recruits.

Madam Deputy Speaker: Out of the six minutes there might be 30 seconds left for the hon. parliamentary secretary.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Madam Speaker, in Question Period on September 24, the Hon. Marcel Masse clearly indicated that the mandate of the advisory group on defence infrastructure was to draw up a list of criteria for restructuring the Canadian Forces and that this mandate did not extend to existing programs.

The planned naval reserve for Pointe-à-Carcy, Quebec is one of these existing programs. In fact, the plan to develop a fleet school for the Canadian Forces in Quebec City was initiated in 1982, when the project for a naval presence in Quebec was announced. The Canadian Forces fleet school project in Pointe-à-Carcy is already in phase III of the commitment made in 1982. Facilities for training the naval reserve that will operate the new fleet of ships dedicated to coastal defence have been built.

Quebec City was chosen for these facilities on the basis of cost and efficiency. Most reservists live in central Canada. The Pointe-à-Carcy site saves the reservists travel time and expense. Moreover, it will reduce the total cost by bringing together in one and the same complex various organizations located in different places in Quebec City. These organizations are the Naval Reserve Headquarters, the Naval Reserve Division and two cadet corps.

The naval reserve must have the resources it needs to carry out its many tasks and to acquire the skills needed for coastal defence and for the control of commercial shipping in our ports and waters.

Therefore, Madam Speaker, the Department of National Defence maintains the decision made in 1982 to establish a naval presence in Quebec City.

AGRICULTURE

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, a few weeks ago, I rose in the House with a question for the Minister of Agriculture and received a reply from the Minister of State (Agriculture). My question was about the GATT talks in Geneva, which are extremely important in connection with Quebec's supply management programs.

At the time, the government was very confident that its negotiators would be able to get the other countries on side and that our supply management system, which has worked very successfully for our farmers, would be maintained. Our defence was that it was extremely important to us, and we had plenty of evidence to prove it. In fact, we were not alone, since Japan and Ireland were also involved in these talks. However, as the weeks went by, we realized that any hopes we had in Geneva had been dashed.

I would like to raise a point which I think is very disturbing. I have here the minutes of meetings that took place with the *Union des producteurs agricoles du Québec*, when in 1987, the Minister of State for Agriculture and the Minister of Agriculture had managed to convince farmers—or so they thought—that the free trade agreement was not a problem for them. They knew perfectly well the Americans never liked our supply management system.

During the free trade talks, the pressure was on, and we were finally faced with a *fait accompli*, once the free trade agreement had been signed and adopted by a vote in this House. Despite the fact that marketing boards had not been excluded from the free trade agreement, farmers still thought they could get the support of GATT and that article XI—a household word by now—could be used to protect our farm product quota system.

However, there were some doubts, because in 1987, the *Union des producteurs agricoles* and the Official Opposition said that one item that could turn out to be very important had been dropped and that we had to bear this in mind. At the time, I was sitting in the National Assembly, and the Minister of Agriculture felt there was a risk. He was right, and we are now faced with a situation that is extremely disturbing for farmers across the country.

What we have here is a *fait accompli*, and in the next few days it will be too late to do anything about a decision that may have enormous consequences for our farmers.

• (1820)

I hope, for the sake of the Department of Agriculture and all those people who managed to convince farmers in the past, that our farmers will have nothing to fear and that they will be well protected. Since all farmers will be affected, I hope that the Department of Agriculture will find a way to provide genuine protection for all our farmers.

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Madam Speaker, it is absolutely clear that our position in the multilateral trade negotiations has not changed. Our negotiators are still determined to reach the MTN objectives arrived at after consultation with the agricultural industry and the provinces. These objectives are: significant reduction of trade distorting subsidies and in particular export subsidies; better access to export markets; clarification and amendment of GATT's rules, especially article XI, to make them fairer and more effective; establishment of rules to prevent improper use of health and safety regulations to hinder trade.

Canada is still determined to have its proposition to clarify and strengthen article XI accepted by GATT. The government is still committed to protecting our supply management systems. Article XI allows countries to restrict imports in support of supply management efficiency. However, some conditions are not very clear and almost impossible to meet, and are the subject of controversy. We must agree on an interpretation of article XI in order to strengthen it and clarify its meaning. To that end, all parties must agree to negotiate.

Canada introduced a proposal to clarify article XI. Our negotiators have worked very hard to find support for this proposal. Our ministers have also done their part, explaining our position to all parties involved. In September, Mr. Blais went to Geneva, and Mr. Wilson and Mr. McKnight were there this week. They all reaffirmed Canada's determination to have this proposal regarding article XI approved. Canada will continue to follow the same objectives—clarification of article XI in particular—throughout the Uruguay Round.

To conclude, I will say that one of the main objectives of Canada in the Uruguay Round is to improve GATT's trade rules. Our proposal on article XI brings us closer to our objective as it clarifies it and makes it fairer and more effective.

[*English*]

IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, on October 9, 1991 I asked the Minister of Employment and Immigration to increase the number of refugee women brought into Canada annually under this government's program called Women at Risk of which this government likes to boast.

The minister did not answer my question but instead boasted about other parts of Canada's refugee program. In fact, Canada has done very poorly on this program of the United Nations High Commission for Refugees that Canada undertook four years ago.

Women at Risk are those who the UNHCR has found to be real refugees. It also has found that they are especially at risk. I quote from the immigration manual of this government, section IS 3.13 as follows:

> All Women at Risk applicants selected will be Convention refugees or members of the designated classes.
>
> a) Women at Risk will be in precarious situations where the local authorities cannot ensure their safety. This includes women who are experiencing significant difficulties in refugee camps, such as harassment by local authorities or by members of their own communities. Urgent protection cases, such as women in physical danger, or in danger of refoulement are to be accorded first priority.
>
> b) Women at Risk may also be applicants who are not in immediate peril, but who are existing in permanently unstable circumstances which allow for no other remedy. Because of a low level of skills, or because they are accompanied by small children, or other factors, these may be women who have been passed over by Canada or by other resettlement countries in the past.

That is this government's regulation. Yet in 1991 out of 540 convention refugees identified by the UNHCR as Women at Risk, Canada brought only 29. We brought only 29 of 540.

In the past four years Canada brought only 127. Why is this? Was there no more room in Canada's immigration plans? That is definitely not so. This government set a target of 13,000 refugees to be sponsored by the government from overseas in 1991. Yet it brought less than 8,000. Why the shortfall of more than 5,000? This government says it could not find enough refugees suitable for resettlement. It said the UNHCR did not provide them.

Yet the UNHCR had a list of 540 women at risk of which this government took only 29. For shame. What a hard heart toward the most vulnerable of refugees and what dishonesty for this government to claim it could not find them when the UNHCR had a list.

[*Translation*]

Mr. Marcel R. Tremblay (Parliamentary Secretary to Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Madam Speaker, it is my pleasure, on behalf of the Minister of Employment and Immigration, to provide additional information concerning the questions raised by the hon. member for Trinity—Spadina in this House on October 9.

Canada was the first country to set up a special program to help refugee women. This program was well received. Moreover, it has been very successful, even though it is still very limited in scope.

There is no limit as to the number of applicants that can be selected each year under the Women at Risk program. In fact, as of September 20, 1991, more than 100 women had been admitted to Canada under that program.

The names of candidates likely to meet the requirements can be submitted to local offices by the United Nations High Commission for Refugees, a Canadian visa office or a non-governmental organization.

If the hon. member knows a refugee woman who could avail herself of that program, Employment and Immigration Canada officials will examine the circumstances of her case and determine if she meets the requirements for admission under that program.

The member's comment that the government granted landing rights to only 32 women under that program is inaccurate. Here are the statistics on the number of women admitted so far: in 1988, 40 cases, 97 women in total; in 1989, 30 cases, 88 women in total; in 1990, 28 cases, 67 women in total; and in 1991, as of September 20, 46 cases, 102 women in total.

I believe this is a very commendable effort that contradicts the data provided by the hon. member for Trinity—Spadina.

[*English*]

CROSS-BORDER SHOPPING

Mr. Bob Kilger (Stormont—Dundas): Madam Speaker, in my question to the Minister of National Revenue on September 18 I tried to inform the minister about the impact cross-border shopping is having on Canadian border communities and on Canada's over-all economy.

The number of Canadians who shop in the U.S. is staggering. In the first nine months of this year 45.4 million same day trips were made to the U.S. This represents a 15 per cent increase over the same period last year.

While statistics for the month of September indicated a reduction in these trips, most observers attribute the decline to slowdowns at border points brought about by the Public Service strike. Nonetheless the numbers are high and so is the economic damage.

Cross-border shopping has reached a state where billions of dollars are being lost and Canada's over-all economy is feeling the impact.

Local businesses and municipal governments in border communities across Canada have taken a number of initiatives to reduce cross-border shopping. As an example, in my riding of Stormont—Dundas a retailer in the village of Winchester asks his customers to retain their sales receipts so that they can obtain discounts on future purchases. In the city of Cornwall a local grocery store offers very competitive prices on milk and bread. These two items are used as drawing cards by neighbouring U.S. grocery stores to attract Canadian food shoppers.

The Cornwall Chamber of Commerce business council has also created a customer service excellence awards campaign and a fair exchange program. The customer service award focuses on improving the calibre of service to customers. The fair exchange program assures U.S. customers that they will receive a fair currency exchange rate when they shop in Cornwall.

The council has also conducted a survey to examine consumer purchasing patterns. It looks at the perceptions Canadian consumers have on shopping in Canadian stores, the prices being charged and the reasons why they shop in the U.S.

Local governments, in conjunction with business, labour and consumer groups are not giving in to cross-border shopping. They are trying to do something about the problem and I commend them on their efforts.

However I believe the federal government must assume its responsibility to do its share. The government should implement effective programs to curb the consumer migration south. I believe the government should undertake an immediate public education campaign to inform Canadians of the damage cross-border shopping is having on our country.

The government must take full advantage of its membership on the national task force on cross-border shopping to work with border communities, business, labour and consumer groups to devise a comprehensive strategy that will achieve results. The groups and individuals I have mentioned cannot do it all by themselves. The federal government must show leadership and take the necessary measures needed to combat cross-border shopping.

Some view cross-border shopping as a form of tax revolt by Canadians fed up with the goods and services tax. As well, in border communities the lure of cheaper gas due to lower U.S. taxes on gasoline brings Canadians across the border.

In my riding there is also the compounded problem of considerably cheaper gasoline being available on the New York side of the Akwesasne Indian reserve. I might add that we are speaking about $1 U.S. per U.S. gallon.

My colleague, the member for Sarnia—Lambton, has put forward a proposal suggesting a border community gasoline tax benefit. I urge the government to give this proposal serious consideration.

In conclusion, I hope the government will soon take action on the serious threat cross-border shopping poses to Canada's economy and to the continued economic viability of our border communities.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Madam Speaker, I am pleased to answer with more details the question asked by the hon. member for Stormont—Dundas concerning the effects of the goods and services tax on cross-border shopping.

As the hon. member knows, a recent issue of the *Canadian economic observer* stated that the goods and services tax does not seem to have increased cross-border shopping. That conclusion was based on a trend analysis of movements at the border, before and after the goods and services tax was implemented.

The goods and services tax is not to blame for cross-border shopping. Indeed, this shopping already existed before the tax came into force. As Statistics Canada clearly showed, cross-border shopping is a long-standing problem and it is simplistic to argue that the shift from the old tax, the manufacturers' sales tax, to the goods and services tax, caused cross-border shopping.

Revenue Canada (Customs and Excise) spent a lot of time and effort to devise more efficient and effective ways to fulfill its mandate as given by this House. Officials from the department dealt with the issue of cross-border shopping and I can assure the hon. member that the department continues to do all it can to improve the processing methods.

In addition to improving on customs operations, the department has actively helped other concerned parties reach an agreement on the complexity of cross-border shopping through meetings at all levels and in all regions of the country. The response to that action has been positive and the support for the department's projects is encouraging.

In conclusion, Madam Speaker, I would like to mention that by associating the goods and services tax with the cross-border shopping we are not doing any good to those who have tried hard to work out a solution to this extremely complex problem of cross-border shopping.

Madam Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.31 p.m.

HOUSE OF COMMONS

Friday, November 29, 1991

The House met at 10 a.m.

Prayers

[*English*]

PRIVILEGE

MEMBER FOR TIMISKAMING

Mr. Speaker: I wish to bring to the attention of the House that I have an application on privilege from the hon. member for Timiskaming. Another member who is involved in the application is not available at the moment.

I will be following our usual practice of bringing the matter back to the Chamber when our colleague from Timiskaming can contact the other member so that all members directly involved will be in the House when it is heard.

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, we have informed the member from Sudbury that we would be raising a point of privilege.

This question is not only of myself, integrity and honesty, but that of my riding. I would like to have this discussed as early as possible because accusations that have been made affect me personally, my family and the people I represent.

• (1010)

Mr. Speaker: I think the House understands the hon. member's position. I hope arrangements can be made to bring it into the House at the very earliest opportunity.

GOVERNMENT ORDERS

[*Translation*]

CANADA LABOUR CODE

MEASURE TO ENACT

Hon. Gerry Weiner (for the Minister of Labour) moved that Bill C–44, an act to amend the Canada Labour Code (geographic certification) be read the second time and referred to Legislative Committee A.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: No.

Madam Deputy Speaker: Debate. The hon. member for Trois–Rivières.

Mr. Cooper: Madam Speaker, on a point of order.

Madam Deputy Speaker: The parliamentary secretary on a point of order.

[*English*]

Mr. Cooper: Madam Speaker, I believe I heard you say legislative committee. I think you would find that there would be consent of the House to do this in Committee of the Whole, because there is a desire on the part of the members to complete all stages of this bill today.

Mr. Dingwall: Madam Speaker, there were no specific discussions with the Official Opposition and the parliamentary secretary to the government House leader with regard to going to Committee of the Whole. However, I have heard interventions from the hon. member opposite and we would be prepared to pursue Committee of the Whole.

However, perhaps in the future the parliamentary secretary might want to inform us beforehand.

Mr. Murphy: Madam Speaker, it was certainly our understanding that this would be dealt with in Committee of the Whole today. I am glad that the parliamentary secretary is aware of that and woke up and raised the issue at the appropriate time.

Madam Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): As you may well imagine, Madam Speaker, it is a truly exceptional occasion when the member for Trois-Rivières is given this opportunity to ensure that one of the laws of Canada is amended to deal with a problem that relates specifically to the riding of Trois-Rivières.

I would like to start by thanking the Minister of Labour and his officials, who did an excellent job. I would also like to mention the Leader of the Opposition, the Leader of the New Democratic Party and their labour critics, all of whom were instrumental in making it possible for us to proceed as soon as the bill was ready and on relatively short notice, to deal with an unpardonable situation, both in our legislation and in the lives of the longshoremen of Trois-Rivières.

Perhaps I may also give a short summary of this case which I have been working on for more two months, a case that is truly incredible, Madam Speaker, and I am sure you will agree.

Section 34, which the House is being asked to amend this morning, was adopted in 1973. The collective agreement of the longshoremen of Trois-Rivières expired at the end of 1985. Since that time, Madam Speaker, the longshoremen of Trois-Rivières have been without a collective agreement, which means they have had no wage increases and no increases in terms of their pension fund. They have had nothing since 1985, and they have been very patient. They managed to get geographic certification so that people working in Trois-Rivières, both in the port of Trois-Rivières and the port of Bécancour, could at last officially negotiate as one unit with the Maritime Employers Association.

The employees, or should I say longshoremen, who work in Trois-Rivières and those who work in Bécancour are both covered by the same certification.

The spirit of clause 34 was that, whether in Trois-Rivières harbour, in Bécancourt harbour or elsewhere, a marine employer was required to appoint a representative to bargain with the legitimate local union. For some years now, Madam Speaker, there has been strife between marine employers in Trois-Rivières and Bécancourt harbours resulting in proceedings after proceedings. They went to the Superior Court, the Federal Court, to all of them. They asked for injunctions and everything else. Meanwhile, the employees, the dockers in Trois-Rivières and Bécancourt, have no one to talk to across the bargaining table to reach a collective agreement. This is not about the employer and the employees disagreeing on the terms of the agreement, but about employees not even having a management representative to discuss their working conditions with. That is what this is about. The intent of clause 34, Madam Speaker, is not to allow employers to fight among themselves and not to settle with the employees across the table.

This explains the significance of this bill and why it is important that it be passed quickly. The dockers have run out of patience and are now on strike. They have been in a legal strike position for a year I think, but they only went on strike a couple of months ago, and rightly so. This is the only pressure tactic left to them to make their employers understand that they have to stop fighting among themselves and sit down and talk. You realize that once the legislation is passed forcing the employers to appoint a representative to bargain with the dockers, this will provide, to the employers at least, a way to solve the problem between these two harbours.

With your permission, Madam Speaker, I would like to read into the record of the House of Commons, the legal text to stress the importance of the Code and the spirit that had motivated those who drafted it originally, spirit which, unfortunately, as we can see today, was lost.

The proposed amendments provide that, when the Canadian Labour Relations Board certifies a local trade union, it may appoint an employer representative of its own choosing if the employer does not do it himself within the time frame specified by the Board. The representative thus named is deemed to be the employer of all the employees in the bargaining unit for the purposes of Part I of the Code and he is invested by law with all the powers needed to perform the duties and obligations of an employer, including—and most important—the power to conclude a collective agreement.

The amendments being considered will give the Canada Labour Relations Board the authority, once geographic certification is granted, to hear and decide any question arising from the application of section 34 and in particular concerning the selection and designation of a management representative.

Under the bill, the management representative is required to represent fairly the employers on whose behalf he acts. This obligation is similar to the one that unions have under section 37 towards employees in the bargaining unit.

If an employer believes that the management representative acted in an arbitrary or discriminatory way or in bad faith in the performance of his duties and responsibilities, he can complain to the CLRB. In case of improper representation, the CLRB can order the management representative to perform his duties properly or make any order that it sees fit to correct the infraction.

This provision imposing a duty of fair representation on the management representative protects the interests of individual employers operating in the ports covered by the geographic certification and at the same time respects the integrity of a regime that has contributed greatly to stable labour relations in the docking industry since it was introduced in 1973.

• (1020)

Under the transitional provisions, the agents appointed pursuant to the provisions of the present section 34 will be deemed to be the designated management representatives in accordance with the provisions of this bill as of the date that it takes effect.

You will understand, Madam Speaker, that these transitional provisions ensure the continuity of geographic certification in ports across the country and will, I hope, enable the parties in the ports of Trois-Rivières and Bécancour to settle the conflict that has gone on, as I said, for six years because no collective agreement has been signed.

The purpose of the law is simply to correct the defective wording identified by the courts, by clarifying the scope of section 34, as I pointed out, which had been considered by Parliament when it passed the law in 1973. The proposed changes will fully implement the geographic certification regime.

I will conclude, Madam Speaker, by asking the opposition parties to continue the excellent co-operation that they have given us for the past two days so that the employees, the dockers in the ports of Trois-Rivières and Bécancour, will have what any employee is entitled to, namely an employer with whom to negotiate a proper collective agreement.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I am pleased this morning to participate in this debate and I would like to indicate to my colleague opposite, the parliamentary secretary, that we will be happy to co-operate with the government to avoid any unnecessary delays in the passage of this legislation.

The purpose of this bill is to correct certain flaws in the wording of section 34 of the Canada Labour Code. These flaws were identified by the courts with the result that the present act is, to all intents and purposes, at least in the case with which we are concerned this morning, inapplicable. The fact of the matter is that an injunction was handed down by the courts against the appointment of an agent. The injunction bars the agent from reaching a collective agreement for the ports in question.

[*English*]

I would like to indicate to the House that we on our side, along with my colleague from Kenora—Rainy River and others, feel that it is high time that the government came forward with this legislation. We recognize that it does require time to analyse what the court has said, determine how to react and how to ensure that the proposed piece of legislation will then stand up in the courts in the future.

I want to remind the House that the employees in question have been without a collective agreement for somewhere between six and seven years.

Working without a collective agreement, particularly in that kind of work, is not an easy thing to live with.

Employees in any sector, whose collective agreement has been terminated, are not afforded the protections they would want and cannot get redress for some of those grievances they have. It is not an easy situation.

First, employees are many times denied the benefits that they should be getting. Second, it tends to sour relations between the employer and the employee, even when nothing is wrong, simply because there is that kind of a vacuum, and that is most unfortunate.

Heaven knows, there are always plenty of things wrong, particularly when we deal with an operation the size of the one that we are referring to. As a matter of fact, I would venture to say that it is amazing there has not been a strike well before this.

Mr. Vincent: There are good people in Trois-Rivières.

Mr. Boudria: I am sure that is so. They are almost as nice as the people of Glengarry—Prescott—Russell, might I add in my usual non-parochial way.

Perhaps we should be looking at the large number of employees within the association in question. This is something that we would be talking about some other time, I am sure. We contend that it is virtually impossible for 60 to 70 companies to choose one person to represent them all. If it is not impossible it is certainly very difficult. Having a representative appointed for you by the board is not necessarily the best situation either.

I would like to conclude by reiterating to the parliamentary secretary—I know that he is very concerned about this issue—that we are talking about his constituents, to a great extent. We want to ensure that the legislation receives passage as quickly as possible.

Again, I want to commend my colleague from Kenora for his good work in that area and for his indication of support to aid this piece of legislation go ahead as expeditiously as possible.

Mr. Rod Murphy (Churchill): Madam Speaker, we in the New Democratic Party indicated earlier that we would support this legislation.

It is important for those people who might be listening to understand that this is not back-to-work legislation. We are dealing with legislation which basically puts in place a mechanism to ensure that employers get together and, through their employer's association, actually negotiate with the employees affected.

Under the present provisions of the Canada Labour Code there is a procedure for the employers to get together and do just this. However, in this case this legislation deals with a situation in which one of the employer groups has gone through the court system and received an injunction which prevents the employer's association from signing a collective agreement with its workers.

We believe that this particular legislation will be an improvement, and therefore we will support it. I would like to concur with the last two speakers that it has been very hard on the employees, their families and the communities involved to have such a long-standing disagreement. Six or seven years without a collective agreement is almost unheard of in this day and age.

I am glad that the government has moved on this matter, but I am concerned by the procedures that we used. This is not a new situation. The government had an opportunity to act earlier. The government had an opportunity to get the co-operation of the opposition parties.

We had been told in a House leaders' meeting about one or two weeks ago that something would be coming down on this issue. We tried to find out what the contents of the legislation were. We were not given this until Wednesday during Question Period and were asked to pass it in all stages Thursday. That gave us almost no time to peruse the wording to ensure that we were not getting caught in some sort of a trap or mistake regarding the wording.

Thursday morning we came into this House and found out that the Senate had not even been approached to pass the legislation before it adjourned. It was the New Democratic Party, myself and my House leader from Kamloops, who got up at eleven o'clock and asked: "Do we have assurance that the Senate will deal with this?"

• (1030)

We know that the Senate tends to adjourn Thursday and not gather again until sometime Tuesday. We found out that not only had there not been co-operation and information-sharing within this House, but actually the necessary mechanisms had not been put into place to ensure that the Senate would deal with this legislation.

Obviously as evidenced by the debate that has taken place here in this House, there is co-operation among the parties. Had proper notice been given I am sure this legislation would have been passed by this House and by the Senate yesterday and would be law today.

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the second time and, by unanimous consent, the House went into committee thereon, Mrs. Champagne in the chair.

[*Translation*]

The Chairman: Order. House in Committee of the Whole on Bill C-44, an act to amend the Canada Labour Code (geographic certification).

On Clause 1—*Representative*

[*English*]

Mr. Rod Murphy (Churchill): Madam Chairman, it is not my purpose to ask a number of questions on this particular legislation. However I would like the member answering for the government to indicate when the employer requested this injunction and when he received the injunction.

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Chairman, if my memory is good a temporary one was given in 1989, and a permanent one in 1990. We are talking about TPQ. It was two years ago.

Mr. Murphy: Madam Chairman, in the same vein I would ask the member why it took the government two years to introduce this legislation. Obviously it has been an outstanding problem for a number of years because the injunction was received one and two years ago respectively. The fact that the government failed to act probably was the cause of the strike, which has only been going on for the last two months.

[*Translation*]

Mr. Vincent: Madam Chairman, I have followed the events for several years and every day for the last two years, and there was always the chance and the hope that the employers would come to an agreement. And after each ruling, the employees and the longshoremen would come to me and say: "Well, you win one, you lose one, but things will finally be settled and we will be able to sit at the table." I think that is one of the reasons.

The other reason, without wishing to divulge what is coming in the future, is that these amendments were included in legislation which will soon be submitted to the House to amend various sections of the Canada Labour Code. Following the latest representations by the longshoremen at the end of the summer, I urged the Minister of Labour, the Hon. Marcel Danis, to take these amendments out of his bill amending the Canada Labour Code so that we might pass just those amendments without delay, thus avoiding a debate on other items with which the two opposition parties might not agree as rapidly as with this one.

[*English*]

Mr. Robert D. Nault (Kenora—Rainy River): Madam Chairman, I apologize for being late this morning. I was running from Indian Affairs to Labour.

I would like to ask the parliamentary secretary to explain to me the portion of the bill which suggests that the board will now have the power to choose a representative on behalf of the employers if the representatives themselves cannot choose.

One of the things I was interested to know is that there is no suggestion of a time frame here. There is just a suggestion of an appropriate opportunity for the association to deal with that.

I would like to know how the government proposes to deal with that in a collective bargaining sense if the employers have difficulties coming up with a representative to deal with the collective bargaining agency which in this case is CUPE. Could you help me understand that?

[*Translation*]

Mr. Vincent: Madam Speaker, I would like to thank my hon. colleague who was very co-operative on this issue, as I said before. Since the hon. member was not here, I would like to repeat what I said because in my opinion, Madam Speaker, this bill demonstrates—even if I cannot say that I fully agree with my colleague from the NDP—that when the three parties want to make things happen for the benefit of a part of the country, things do happen. I want to emphasize this for my colleagues from the two parties.

To answer the question of the hon. member for Kenora—Rainy River, the board will determine the time limit that it deems appropriate after hearing the arguments of both sides. Employers who do not agree among themselves, have the right to make representations to the board. Based on those representations, the board will rule on the appointment and the time limit. I believe that the board has an in-depth knowledge of the matter, since it has followed the process on the employees' side, as well as among the different employers that have gone to the board several times already.

So I do not foresee any problem on that issue. The decision is still up to the board, once it has heard the parties involved.

[*English*]

Mr. Murphy: Madam Chairman, my question relates to the same issue of timing. I would like to use this opportunity especially since the officials are here to say that I am also concerned that there would be a situation where the board would take a long time to act and that could provoke a strike or a lockout or a refusal to negotiate. I know that this House acted quickly about a month ago to pass legislation calling upon the Minister of Labour to appoint arbitrators in the case of those postal employees who were fired or disciplined during that disturbance. It relates to the time at which the Canada Labour Relations Board acted.

I wonder if the member could tell us through the advice he might get from his officials if an arbitrator or arbitrators have been appointed to deal with those people. Some of them have lost their jobs and are obviously unemployed at this time.

[*Translation*]

Mr. Vincent: Madam Speaker, you will understand my interest in the Department of Finance, but I am not as knowledgeable about the Department of Labour. I am very pleased to be involved in this issue, but unfortunately, I do not have the competence to answer my hon. colleague.

However, I am taking note of his question and will transmit it to the minister responsible who I am sure will answer him at the earliest opportunity.

[*English*]

The Chairman: I think the hon. member for Churchill would understand that as chairperson for this committee I was in a bit of a quandary as to the relevancy of his question. I allowed the hon. member to answer. I think you will be happy to know that the question has been taken as notice and an answer will come to him.

• (1040)

Mr. Murphy: Madam Chair, I recognize that the member who is answering for the government is the parliamentary secretary of finance. Usually when we have legislation of this nature which we deal with in the Committee of the Whole we actually do have the responsible minister available.

We agreed to proceed with this legislation knowing the minister would not be here. After we have rushed through legislation—and in both cases it is legislation under the auspices of the Minister of Labour—we are being asked to pass this legislation quickly. We were asked to pass the back-to-work legislation for the postal workers quickly. We are therefore quite curious to see how long it takes government and government bodies to act afterward.

[*Translation*]

Mr. Vincent: Madam Speaker, with respect to this legislation, I can assure my colleague that if the government does not act as swiftly as I think it should, I will be very pleased to inform the hon. member accordingly and to ask for his help again in order to make the government move quickly.

[*English*]

Mr. Nault: Madam Chairman, I would like to ask the officials specifically if they could give us this kind of information. Was this situation in another particular sector of labour management relations ever used in order to get the particular group of employers or employees for that matter to the bargaining table? Or is this the first situation on record?

I would like to clarify where I am coming from. Would it not be more appropriate for speed purposes in order to get a situation like this rectified to give the Minister of Labour the particular powers necessary to appoint on behalf of the employers either a representative to deal with the employees or to appoint an arbitrator from the outset when the employers are in a situation where there is no agreement?

There is a reason why I throw that out to the department officials. When we arbitrarily have to make decisions of the magnitude that we are proposing to make with the Canada Labour Relations Board having the necessity to choose a representative for the employers, it could cause not only a delay but also some long term labour-management relations problems. I am wondering whether the department officials could give us some explanation as to just how common or uncommon this is. Or is this is a brand new approach to a very difficult issue?

[*Translation*]

Mr. Vincent: I thank my colleague for his question. He should understand that we are trying to set up a system that we believe Parliament had already set up in 1973. Because of the interpretation given to section 34 over the years, we can see today that the spirit of the legislation passed in 1973 is not being followed by the courts. These amendments have the effect of clearly reaffirming what Parliament intended in 1973. I must admit to my colleague that the riding of Trois-Rivières has made history in this, since it is the first time that such a situation has occured in Canada, with a legal tangle where the employers are fighting each other while the employees wait patiently.

I believe that the problem will be solved with this amendment to the Canada Labour Code. Concerning a provision that would allow the minister to appoint someone in advance, I think that is the board's job. The board is there precisely to hear the parties and make those decisions.

I would be reluctant to have the minister interpret law which has been the subject of various court decisions.

[*English*]

Mr. Nault: Madam Speaker, I understand where the department is coming from. However there is a big concern here.

Let us use the scenario that is before us that there are 60 or 70 employers. They have the right to go before the board to present their cases. When you talk about 60 or 70 employers we could be literally months before the board would have the ability to make a decision on the appropriateness of a particular representative to deal with the dispute.

At the same time we are dealing with the employees who may be on the picket line for a long period of time or without a collective agreement or who could be on strike. In that scenario we could in essence be making matters even worse for the particular employees.

I would ask the department whether it would not be appropriate for us to put a particular time frame for the board to make a ruling. For example within 30 days after a particular period of time has elapsed for the employers to suggest a representative, there would be a decision made as to who would be the representative for the employers.

The reason why I throw this out is if it has never been tried before and if the employers cannot make up their minds as it is and if they decide they want to play games with this whole process, they could tie up the board for months on end and then we would still be right where we started. In other words, the employees are left without a contract and the whole industry is basically in a state of flux.

I just want the department to explain to me whether it senses that is not a legitimate concern. Will the board have the power to move very quickly because of the individual circumstances of the particular process?

[*Translation*]

Mr. Vincent: Madam Speaker, I emphasize that we are dealing specifically with the marine sector. As we speak, the four marine employers in the port of Trois-Rivières get along well and the one in the port of Bécancour does not get along with the other four. Thanks to the employer in Bécancour, the only one there, we are bringing in this legislation. So my colleague will see that his example does not reflect the situation in the port of Trois-Rivières, the port of Bécancour, and even the ports of Montreal or Quebec City. I continue to believe that previous governments set up the board precisely so that it would have total freedom in making its decisions, as it should, based on its knowledge of the issues that applicants raise with it. Consequently, I think it would be rather dangerous to put in a time limit, but rest assured, that as far as the situation in Trois-Rivières and Bécancour is concerned, the employers, at least those in Trois-Rivières, are hoping that the matter can be resolved as quickly as possible, because they do not enjoy that strike either. With that in mind, these amendments are proposed for the best interests of the two parties, the economy of Canada and especially the economy of the riding of Trois-Rivières.

[*English*]

Mr. Murphy: I would like to follow up on the question that I started off with and that the hon. member for Kenora—Rainy River continued with.

I have not been the labour critic for our caucus for a number of years now. But the last time I was actively involved I know that there was a backlog and that it did take a fair amount of time for cases to be heard in front of the Canada Labour Relations Board and it obviously took even longer for decisions to be made.

• (1050)

I am wondering if the member, or to be more precise the the officials through the member, could indicate the average length of time it takes to have a case heard and again on average how long it takes for a decision to be rendered after the case has been heard.

[*Translation*]

Mr. Vincent: Madam Chairman, I can see that I am going to practise labour law today. I studied it at Laval University, quite a few years back. I would like to point out to my colleague—I regret that I cannot be really specific—but I would like to outline two points to him. I know that in case of a strike, legal or illegal, the board moves up the file to the top of the heap, which means a very short time frame. I also know that, depending on the nature of the case, the board may receive written submissions which, again, means a very short time frame for a decision to be rendered for the good of both parties.

Madam Chairman, I also take his question as notice and, with the help of the officials, we will report to the minister, Mr. Danis, who will certainly be glad to answer him in a specific way.

[*English*]

Mr. Nault: Madam Chairman, under powers of the board on the first page in the clauses it suggests that by order it will be able to appoint an employer representative of its own choosing. In the briefing documents that we received from the officials on the reasoning for this change it says that it provides for the appointment of an employer representative by the CLRB should the employers affected by geographic certification order fail to do so within the time limits set by the board.

There is no time limit set by the board and that is one of the things that worries me. I am wondering whether the department would see fit to make a small amendment which would suggest in the last paragraph that by order appoints an employer's representative of its own choosing within 30 days, or within 60 days, whatever is an acceptable time frame in an industry of this particular nature.

I suggest that mainly because of the difficulties, and the reasons we are here in the first place, because the employers themselves cannot come to an agreement as to who they would want to choose and if they decide to could tie up that board for a fairly lengthy period of time.

This process would put on record, for the understanding of all the actors in this issue, that they only have 30 days, for example, to deal with the issue. It would also put on the record that there is going to be a collective bargaining process implemented as quickly as possible as a result of the effects of not having a collective process and collective bargaining agent to deal with, as far as the workers are concerned.

I wonder whether the department, through the member, could tell us whether that would not be a significant improvement or it is necessary to maintain the flexibility of the board.

[*Translation*]

Mr. Vincent: Madam Chairman, I would like to point out to my colleague that section 1(3) states, and I quote:

> Where the Board, pursuant to subsection (1), certifies a trade union as the bargaining unit, the Board shall, by order,
>
> (a) require the employers of the employees in the bargaining unit (i) to jointly chose a representative, and (ii) to inform the Board of their choice within the time period specified by the Board;

So it is up to the board to specify a time frame to the employers. Finally, Madam Chairman, I can tell you as a lawyer that I cannot see legislation imposing a time frame for a decision to be rendered by a judicial or quasi-judicial tribunal. I cannot see how a government could possibly impose a time frame to a tribunal. I think that once a judicial or quasi-judicial tribunal is involved, it has, by virtue of the statutes, the common law, its own rules, its own customs, but also its own integrity. We must therefore respect this quasi-judicial tribunal.

To conclude, Madam Chaiman, I would like to answer the hon. member from the New Democratic Party. I just receive a message from the minister which says:

[*English*]

—the minister would appoint an arbitrator only if the parties could not agree themselves as to who the arbitrator to deal with the cases of those employees who were fired or suspended should be.

At this point the parties have not requested the minister to appoint someone to deal with these particular cases.

[*Translation*]

I think, Madam Chairman, that this answers the question from the hon. member regarding the postal strike.

[*English*]

Mr. Nault: Madam Chairman, I would like to switch emphasis for a minute and ask a question relating to the geographic area that we are dealing with. I wonder whether the reason we are here today is because the geographic region we are talking about is so large that it has created a process that cannot work for the employers. Has the department taken a look at that particular issue in its entirety and could it suggest to us whether it would be necessary to make recommendations to make the geographic area smaller or split it in half or something of that nature?

Maybe it is reasonable to suggest that the reason why the employers cannot agree is because they are coming at it from different directions and have different concerns on different issues that they are trying to deal with. The only way to rectify that is to change the geographic area we are dealing with.

Could the member enlighten us as to whether we are giving the board the work load of having to make the decision on who the representative of the employer is going to be on every occasion, as a result of the fact that these employers will never be able to agree on a representative because of the unworkability of the geographic zone?

[*Translation*]

Mr. Vincent: Madam Speaker, perhaps I should invite the hon. member for a visit to my riding.

The port of Trois-Rivières and the port of Bécancour are about a quarter of a mile apart, on either side of the St. Lawrence River. The employees' union certification allows them to work in the port of Trois-Rivières and the port of Bécancour. My position is that since the employees are prepared to work in both ports, to switch and travel to and fro—there is a bridge, so there is no problem—normally the employers should be prepared to do the same.

If the employers are willing—and this is in fact common practice—to hire longshoremen who work at the port of Trois-Rivières and send them to Bécancour, and hire those in Bécancour and send them to Trois-Rivières—so far the employers have had the best part of the deal. They have their employees, there has been no collective agreement for six years, and everything is fine. This legislation is important because it will force the employers, either directly or indirectly, to jointly choose a representative, and otherwise the board will choose one.

In a nutshell, the problem is this: For six years, the employees who are covered by a collective agreement have had no one on the other side of the table to negotiate with because the employers, at least some of them, cannot agree among themselves. Our legislation will oblige the employers to appoint a representative so that the employees, our longshoremen, will have someone with whom they can negotiate.

The geographic area as such is not a problem because only a short distance is involved, and the employees can work without any hardship.

• (1100)

[*English*]

Clauses 1 to 4 inclusive agreed to.

Title agreed to.

Bill reported.

[*Translation*]

Mr. Weiner (for the Minister of Labour) moved that the bill be concurred in.

Motion agreed to.

[*English*]

Madam Deputy Speaker: When shall the bill be read the third time? By unanimous consent, now?

Some hon. members: Agreed.

Madam Deputy Speaker: I would like to ask the House, if members wish to speak on third reading, to postpone it until after Question Period. We will proceed with third reading immediately after Routine Proceedings.

It being 11 o'clock a.m., pursuant to Standing Order 30(5) the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

REGIONAL DEVELOPMENT

Mr. Felix Holtmann (Portage—Interlake): Madam Speaker, must Canadians continue with the deadly game of beggar thy neighbour? Must Canada be torn apart by wistful gazing in a neighbour's backyard? Must Canadians continue to use the me too syndrome to drag positive announcements into the political quagmire?

Legitimate government assistance for economic and other development is not a ping-pong game. Nor can we enter into a game of cheque book confederacy.

I could stand here today and reiterate and regurgitate millions upon millions of dollars of economic aid that my province has received courtesy of the federal government over the past six months. I will not do so.

I stand today secure in the knowledge that I reflect the views of my constituents and indeed of Manitobans when I say that what is good for one region is good for the nation and that we are beyond the petty politics of regionalism.

* * *

MENTAL HEALTH CARE

Ms. Beth Phinney (Hamilton Mountain): Madam Speaker, mental illness affects more Canadians than any other illness including heart disease and cancer. However, the government currently spends a maximum of 15 per cent of health care funds on mental health care.

Despite the federal government's commitment of November 1989 to redress this imbalance, transfer payments to hospitals were frozen in February of this year.

According to the Canadian Mental Health Association, a rebalancing of funding could be arranged through the Canada Assistance Plan with guidelines for community health programs.

While the government has been moving toward a community based mental health care system, it has done so without providing the funding needed to maintain mental health care in this manner.

Canadians do not need another report to tell them how to solve these problems. Canadians want action now. I urge this government to put its money where its mouth is and strike a balance between mental health care needs and health care spending.

* * *

THE CONSTITUTION

Mr. Doug Fee (Red Deer): Madam Speaker, the youth of Canada have more at stake in our constitutional discussions than any one of us and they are prepared to contribute.

In response to my invitation, last weekend representatives of six high schools gave up a Saturday to discuss and debate the proposals for a renewed Canada. These young Canadians, three from each school, shared an intelligent, mature approach to the issues and passed 24 resolutions which I have forwarded to the minister of constitutional affairs.

The ideas we hear from youth and our more mature constituents deserve to be shared in a more open fashion. I would call on the government House leader to find a way for us as MPs to present publicly the position and the ideas that we are hearing in our constituencies.

I would suggest that we dedicate a significant block of time in this House to let each of us express our views and those of our constituents on the public record.

There will never be a more important issue for us to discuss and there is no more fitting place for that than on the floor of the House of Commons.

[*Translation*]

DELMAR CHEMICALS

M. Paul Martin (LaSalle—Émard): Madam Speaker, yesterday Delmar Chemicals, a Canadian company located in LaSalle, in my riding, permanently laid off half of its employees. Delmar used to supply pharmaceutical chemical products. The federal government granted an increased protection to pharmaceutical multinational companies in order to allow them to be more competitive and to invest more in Canada. Unfortunately, it did not give the required attention to Canadian companies. It did not establish any particular development plan which would have reinforced companies such as Delmar.

The conclusion is clear, Madam Speaker: if the government does not take the necessary measures to stimulate the growth of Canadian-owned pharmaceutical industries, more jobs will be lost. The time to act is now.

* * *

[*English*]

ILLEGAL IMMIGRATION

Mr. Stan Wilbee (Delta): Madam Speaker, I have recently received a letter from a businessman from Vancouver. In it he states, and I quote:

> Illegal aliens are causing enormous difficulties for local business people and landed immigrants who are attempting to make a fresh start in our area as recent arrests and deportations will attest.
>
> Additionally the prostitution and drug elements these people have brought into the east-end, compound the initial problem of illegal immigration; as a significant number of people conducting these illicit activities are aliens.

These sentiments are confirmed by the large number of illegal immigrants and refugees that were arrested in Vancouver's large drug roundup this week. Many of these already had multiple arrests while in Canada.

These criminals must be dealt with quickly and severely. We cannot let them use our generous immigration policies to destroy the fabric of Canadian society by making a mockery of our justice system.

S. O. 31

DAVID MILGAARD

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, on behalf of the New Democratic caucus I would like to commend the Minister of Justice for today ordering a judiciary review of the David Milgaard case.

This long awaited decision has been in large part due to the extraordinary efforts of David's mother, Joyce Milgaard, and a loyal and energetic group of supporters.

Mrs. Milgaard's incredible courage and stamina over these many years is not only an example of a mother's love for her son but also a relentless desire to see justice done.

The Donald Marshall inquiry recommended that an independent body be established to review cases where a miscarriage of justice may have taken place. Certainly the excruciatingly painful experience and expense that both David Milgaard and his family have been forced to endure highlight the need for this recommendation to be given real and serious consideration. The present system obviously is inadequate.

I congratulate David Milgaard and his family on this success. I believe that once the Supreme Court has had a chance to review the case, the court will come to the conclusion that a tragic and unfortunate miscarriage of justice occurred in Saskatoon in 1969.

* * *

[*Translation*]

WORLD AIDS DAY

Mr. Gabriel Desjardins (Témiscamingue): Madam Speaker, December 1 is World AIDS Day. Its theme "Sharing the Challenge", is meant to recognize the individuals and the many groups, including governments and non-governmental organizations, that are already partners in the fight against AIDS. It is also meant to involve individuals and groups that have not yet joined the battle.

The participation of front-line workers in this field has proved essential. Community groups involved in the fight against AIDS, persons infected with the HIV virus or suffering from AIDS, and health professionals are the key players. They help us understand how AIDS affects our communities and how we can tackle the complexities of this problem effectively.

The present government is committed to supporting the groups, persons infected with the HIV virus or suffering from AIDS and their caregivers and to forming partnerships. By having them participate in the definition of goals and in the initiatives of the National AIDS Strategy, we recognize their invaluable contribution as allies in our relentless efforts to eradicate this disease in Canada.

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OCCUPATIONAL TRAINING

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, the business people of Saint-Laurent now have access to a new service which will save them time and money, a one-stop information centre on made-to-measure manpower training.

[*English*]

Partners in Training enables businesses in Saint-Laurent to access various governmental and academic institutions by simply calling a single number.

• (1110)

The one-stop information centre was initiated by the city of Saint-Laurent, our CEGEPs and adult training in order to provide better services to our community.

[*Translation*]

I want to congratulate the city of Saint-Laurent for this initiative. The one-stop information center will be a major asset for the business community in Saint-Laurent in terms of manpower training.

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[*English*]

CANADIAN SCHOLARS PROGRAM

Mr. Howard Crosby (Halifax West): Madam Speaker, this fall the Minister for Science launched the Canadian Scholars Program for the current academic year at Dalhousie University in Halifax. The program provides financial support and encouragement to 3,200 new Canadian scholars who will join over 4,000 young Canadians now pursuing studies in engineering and science at Canadian universities.

The Canadian Scholars Program recognizes the need to promote excellence in engineering and science in order to advance our society in this new age of technology.

I am sure all members will record their congratulations to the new and continuing Canadian scholars whose dedication to excellence will allow Canada to develop and prosper now and in the next century.

* * *

REFORM PARTY

Mr. Rod Murphy (Churchill): Madam Speaker, the Reform Party is out of touch with northern and rural Canadians. On Wednesday Reform Party Leader Preston Manning said that he would eliminate the northern tax benefit.

Anyone who is familiar with the north will know that residents of this region of Canada fought long and hard to receive a tax benefit that would recognize the increased costs and hardships of living in Canada's north. The northern tax benefit is not only necessary, it is fair.

The Reform Party talks about listening to the grass roots. If Preston Manning knew he would realize that hundreds of northern communities presented petitions, went to meetings to explain why they needed a northern tax benefit. The Reform Party is not listening to Canadians. It is going to throw rural Canadians to the wolves. It is going to throw northern Canadians out to the high cost of living with no recognition by this government.

While it panders large corporations and the wealthy, the Reform Party through promising to support freer trade and less domestic subsidization in agriculture ignores the needs of Canadians.

The Reform Party is trying hard to pass itself off as a party—

Madam Deputy Speaker: I regret to interrupt the hon. member but his allotted time has expired.

WORLD AIDS DAY

Mr. Ross Reid (St. John's East): Madam Speaker, I would like to bring to the members' attention the famous World AIDS Day, Sunday, December 1. It is «Sharing the Challenge.»

In using this theme to draw attention to the common threat as well as the common need for partnership, the World Health Organization is not simply making a plea for compassion. It is appealing for people from all over the world to recognize the dangers attendant upon the prejudice that often surrounds HIV and AIDS.

It is appealing for people to get involved in actively putting an end to discrimination against people living with HIV and AIDS. Discrimination has a negative effect on the quality of people's lives. It denies the reality that AIDS threatens us all. People living with AIDS are sons, daughters, brothers, sisters, our colleagues and our friends.

In this country HIV and AIDS, like any other medical condition is a disability, and disability is one of the grounds of discrimination prohibited under the Canadian Human Rights Act.

During this World AIDS Day let us all on both sides of the House make a commitment—

Madam Deputy Speaker: The hon. member's time has expired.

* * *

NATIONAL RAIL TRANSPORTATION

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, Nova Scotians are very concerned about losing access to national rail transportation at the hands of this government. We have not forgotten the insensitive decision to end passenger rail service from Truro to Sydney two years ago. We are fearful that the current attempts by CN to privatize the rail portion of this line is but a thinly veiled attempt to abandon this vital rail link.

We are very interested in the recent cabinet decision to reverse a national transportation agency ruling that would have allowed the 90-kilometre line from Chandler to Gaspe in Quebec to close. We are told that this line has been losing money for years. Yet this train is regarded as an essential mode of transportation to the economically depressed area of the Gaspe peninsula south coast, especially in winter and especially for the elderly who cannot drive or spend long hours in a bus.

True, but what about the elderly in Nova Scotia who live along the discontinued Truro to Sydney line? What about the thousands of jobs that depend upon maintaining rail transportation from Truro to Sydney? Will the government now act to save these lines—

Madam Deputy Speaker: The hon. member's time has expired.

* * *

REGIONAL DEVELOPMENT

Mr. Bob Corbett (Fundy—Royal): Madam Speaker, yesterday an agreement for regional development in the province of Quebec was announced. The agreement involves a contribution of $160 million by the Government of Canada and $140 million from the province of Quebec.

I would like to point out that the government has made very significant contributions to regional development not only in Quebec but in my region, Atlantic Canada, and in the west.

In the budget of 1989 this government announced a regional development allotment for each of the major regions of Canada. The $160 million federal share of yesterday's agreement is from a previously non-allocated portion of Quebec's allotment. In the Atlantic provinces this five-year regional development allotment has a value of $2.125 billion. That is an average of $425 million a year for each year within the current funding framework to be spent on developing the economy of Atlantic Canada.

Developing the economies of all parts of Canada is a priority of this government. It is most unfortunate that some members of the opposition feel compelled to whine and complain every time support is given to a region other than their own, especially when it is—

Madam Deputy Speaker: I am sorry the time has expired.

* * *

VISIBLE MINORITIES

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, several of my constituents who are employees of Health and Welfare Canada believe that they are being discriminated against because they belong to visible minorities.

These people feel that they are being denied managerial positions when they feel they are more qualified than others who are appointed and who happen to be Caucasians.

[*Translation*]

If it is true that the department so discriminates by disregarding the merit principle and give promotions to less qualified employees, the health of Canadians is in jeopardy.

On Tuesday, November 19, the President of the Treasury Board stated that the government will not tolerate racial harassment within the civil service. Yet I have not seen the government take any measures to ensure fair treatment for these employees.

[*English*]

An impartial agency should undertake a substantive investigation that will look into these allegations and offer recommendations to resolve this issue at Health and Welfare Canada.

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WORLD AIDS DAY

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, Sunday, December 1 is World AIDS Day and I want to reflect on Canada's role in fighting this deadly disease.

The World Health Organization estimates that up to 10 million people are already infected with HIV, the virus that causes AIDS, and estimates that the figure will sky-rocket to 40 million by the year 2000. In Canada alone over 3,000 people have already died from AIDS.

The most tragic thing about AIDS is that it is preventable. We know exactly how HIV is spread and how it can be stopped. With education we have an excellent chance of saving millions of lives from being ravaged by HIV.

Canada has and must continue to take a leading role in fighting AIDS by maintaining both a strong commitment to international development and by funding AIDS research and education here in Canada. Many developing countries are helpless in fighting AIDS and Canada has the ability to empower them to help themselves.

Too often causes are acknowledged by politicians only once a year on days set aside to mark them. AIDS cannot be fought once a year. It must remain on the political agenda at all times or we risk losing the fight. Canada must do more.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Hon. Herb Gray (Windsor West): Madam Speaker, my question is for the Minister of Finance.

Yesterday a Gallup poll confirmed that for 90 per cent of Canadians the recession is not yet over. Today we know why. Today Statistics Canada has reported that the economy actually slowed in the third quarter. It shrank in August, it shrank again in September.

I ask the minister: How much more evidence does he need that his Conservative government's policies are simply not working? Why can he not create policies that bring sustained economic growth and more jobs and not continue with policies that lead to economic stagnation and add more and more people to the already too long welfare lines in this country?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member is wrong when he says that growth was negative or slowed in the third quarter. There was positive growth in the third quarter by .9 per cent, certainly weaker than we would have liked to have seen it, but that comes on the heels of a very strong second quarter.

I remind the hon. member that the annualized figures for the second quarter were a 4.9 per cent rate of growth. They have been adjusted upward to 5.7 per cent. We see some other promising signals on the horizon. The level of housing starts in October was 202,000. There was a net of 108,000 new full-time jobs that were created during the period of September and October. The residential demand is increasing. Corporate profits in this quarter are up by about 15 per cent on an annualized basis. Those are the kinds of things that will ultimately be translated into investment and job creation opportunities.

• (1120)

I know the hon. member takes great pleasure in telling gloom and doom stories. I wish the growth rate figures were better, but we are doing everything we can in getting the fundamentals right so they will be better.

Hon. Herb Gray (Windsor West): Madam Speaker, if I am wrong so is Statistics Canada which reported today: "Gross Domestic Product slipped .1 in September following a .3 decline in August". The minister better read his own numbers. Unemployment is going up, not down, bankruptcies are going up, not down and the trade deficit is going up, not down. Why is he saying that Canadians are out of the woods when so many of the government's own numbers are going the wrong way and dragging Canadian workers and their communities along with them? Why does he not wake up and not take pleasure in avoiding the real issue? His policies are dragging this economy backward, not pulling it forward.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I will not only re-read the information provided, I will read it to the hon. member: "The national account's data indicates that real output increased by .9 per cent at an annual rate". That is not down, that is up in the third quarter, following a revised gain of 5.7 per cent in the second quarter. That has been revised upward, not downward. "Inventory investment contributed strongly to the growth in the third quarter. Excluding inventories, GDP would have fallen by 1.7 per cent. Purchases of goods and services by Canadians increased at a slightly stronger pace of 1.6 per cent led by continued robust growth in residential investment and government expenditures".

That is the briefing note that I read and I would be glad to table it as well.

Hon. Herb Gray (Windsor West): Madam Speaker, why does the minister not go out and talk to the 90 per cent of Canadians who say that for them the recession is not over?

[*Translation*]

Only a Conservative government, Madam Speaker, would have the gall to tell us that things are going better when the unemployment rate is going up, the bankruptcy rate is at a record high and exports are dropping.

I ask the minister this: When will he, at long last, give a glimmer of hope to Canadian families? When will he introduce new policies to create employment in Canada instead of destroying it?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am talking to Canadians. I have commenced the pre-budget consultations wherein I have been talking to business people, to consumer groups, to the retail sector, to anti-poverty groups and to people involved and the disabled.

One thing is very clear. None of them are recommending or suggesting that we try to borrow our way out of this difficulty. None of them are suggesting that we try to spend our way out of this difficulty and therefore drive up the deficit.

The hon. member would like us to throw money at the problem and walk away from it. That is not the consensus of Canadians and it certainly is not the consensus of this government.

* * *

AGRICULTURE

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, I want to raise a question with the Deputy Prime Minister.

I have here a whole raft of letters from dairy producers, turkey and chicken producers in places like Killarney, Gretna, Morden, Rosenfeld, Manitoba, a whole series of communities.

These farmers know that their very livelihood is now threatened because of serious government mistakes. Under the free trade agreement, the government gave away the right to impose import tariffs on agricultural products and processed foods which totally undermine the marketing system. The government is now losing the battle of article XI at the GATT.

What is the government going to do to protect these farmers? Because of the real threat to these farmers, because of the erosion of article XI, will the government renegotiate with the United States the agreement so that we can restore the sovereign right of Canada to set its own tariffs on processed foods and agricultural products?

Hon. Bill McKnight (Minister of Agriculture): First of all, Madam Speaker, the hon. member is not factual when he says that the ability to maintain the supply managed system in Canada was eroded by the free trade agreement.

What the hon. member must recall is the only action since the signing of the free trade agreement that has brought any concern to the producers is action taken under GATT.

The hon. member talks about the erosion of article XI. What the position of the government is and what the position of the producers happens to be, and the position of the provinces involved, is a clarification and strengthening of article XI. The hon. member has to be aware when he looks at the free trade agreement that agricultural exports in Canada have increased—have increased, Madam Speaker—since the signing of the free trade agreement. Canada has exported more to the United States of America under the free trade agreement than it had in the past.

An hon. member: That is news to me.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, this minister is once again trying to cover up the fact that under the free trade agreement, section 401, his government took away the right of Canada to set its own tariffs on processed foods. If you cannot set your tariffs on processed foods, your marketing supply sector cannot supply the processors.

If the Minister of Agriculture cannot understand that, then he should quit his job.

Considering that the dairy, turkey and chicken producers are now under threat, the grain economy is collapsing, that every Canadian in every region is being touched by this crisis, will the minister undertake to approach the Prime Minister and tell him that we need a national conference bringing together the heads of government of all the provinces and of this government, to develop a national response, a national strategy, before the entire food industry in this country collapses.

Hon. Bill McKnight (Minister of Agriculture): The hon. member may not be aware, but the policy that has been put together by this government over the last two years regarding agriculture was a policy that was developed by the producers, the stakeholders, the further processors, the provinces and the Government of Canada.

The hon. member asks why they are demonstrating on the Hill. There is hurt out there. This government has recognized that hurt. The hon. member asked a question, Madam Speaker, and he keeps muttering while I try to reply.

I appreciate the hon. member's new-found concern about agriculture. This government has put forward—

An hon. member: You did not go to the rallies.

Mr. McKnight: Madam Speaker, the hon. member says I did not go to the rallies. He should check. I did.

An hon. member: I didn't see you there.

* * *

THE ECONOMY

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, my question is for the Minister of Finance.

Today we have seen for the first time in some period two straight months of decline in the Gross Domestic Product. We have seen as far as the quarterly figures are concerned a massive drop in the rate of growth between the last quarter and this quarter. And yet the minister gets up and starts talking not about the problems that we have, but instead about the promising signals in this economy.

I want to ask this minister this. Are the promising signals things like the fact that there are 1.5 million Canadians out of work, or that there are one million Canadian children living in poverty, that our investment is down, that we have a trade deficit in this country, that we have record bankruptcies, that farms are in a crisis situation? Are these the hopeful signs that the minister sees in these statistics?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think the hon. member is a fair person, and I ask him in a manner of fairness to consider the fact that the growth in the second quarter was 5.7 per cent on an annualized basis. It has been adjusted upward from a 4.9 per cent figure, and I think he knows, as we all knew, that that sort of record of growth was not going to be sustained.

As a matter of fact, in our projections in the February budget of 1991, we indicated that there would not be growth in the first half. The strong growth in the second quarter was perhaps a situation where there was pent up demand and some of it may have been borrowed from the third quarter. To suggest for one minute that the sustainability of that kind of rate of growth of 5.7 per

cent carried through the second half of 1991 was achievable was certainly not in the cards.

• (1130)

I simply indicate to the hon. member that while we would have liked to have seen stronger growth, there are some signals in the area of housing, in the area of corporate profits, in the area of job creation that would indicate that the modest to moderate recovery that we have projected and predicted is still there.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, the minister is living in a dream world. What exists out there across this country among farmers, workers, the unemployed, the poor, is a very tough situation. The minister seems to be in a dream world instead.

I ask the minister why he is not prepared to stand up and recognize that we have had two successive months of decline and this government has to take decisive action to change its policies and get Canadians back to work.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am not in a dream world. We have had two consecutive quarters of growth. That is the fact. The hon. member says do something. The hon. member is suggesting to spend, borrow more money, spend it, kick-start the economy.

As I indicated earlier, I am engaged in my pre-budget consultations. I can tell you, Madam Speaker, there is no consensus for that course of action. The course of action that is recommended is the one that we are on, getting the fundamentals right, getting interest rates down, getting inflation down, getting the inflationary pressures down, bringing our fiscal house into some order. Those are the recommendations I am receiving from Canadians and I believe very sincerely that that is the right approach for the future of a strong, robust Canadian economy.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, what I hear from Canadians, business, labour, everybody, is first that we have to get rid of the GST and, second, we have to get a lower dollar in this country. That will put us back on the road to recovery.

[*Translation*]

My supplementary, Madam Speaker, is the following: Does the government realize how much hardship there is in Canada and in Quebec? Its policies have widened the gap between rich and poor and aggravated divisions within the country. When will the government act and provide assistance to Canadian people?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member says to get rid of the GST. What would he replace it with? Is the hon. member suggesting that we drive up the deficit a further $16 billion? How irresponsible, Madam Speaker. He says get rid of the GST. That would drive up the deficit an additional $16 billion. That is the kind of nonsensical suggestions we get from the hon. member opposite.

He is now pleading the case to help Quebecers. I understand that yesterday in the House they were very critical of the very legitimate regional development program that was put in place to help Quebecers. He cannot have it both ways. You cannot stand up one day and attack the government for helping in the regional development problems in Quebec and then turn around the next day and plead mercy for them.

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HEALTH

Mr. Stan Wilbee (Delta): Madam Speaker, my question today is for the Minister of National Health and Welfare, or the minister answering for him.

The chairperson of the Royal Commission on New Reproductive Technology, Dr. Patricia Baird, has stated that the commission will not report until October 1992. Many of the people in the medical field are very concerned about the research that is being funded by this commission, specifically the type of research that is being funded.

My question is how much of the commission's $26 million budget has been spent? What are the estimated costs of the commission, and when will the commission release a detailed list of the research projects that it has or is going to fund?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Madam Speaker, I understand that the commission has asked for some research projects to be

done. I am not in a position today to give the details that have been sought by my hon. colleague with respect to the commission's request which, of course, is an arm's length royal commission. But I will be pleased to forward the requests of my hon. colleague to the chair of the commission, and I am sure that she will address those directly.

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[*Translation*]

AGRICULTURE

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, my question is for the Minister of Agriculture. Before the free trade agreement in 1987, the Minister of Agriculture made a formal commitment to farmers to protect the marketing system. Given the events in Geneva in recent months and weeks, does the Minister of Agriculture intend to ask the Prime Minister to intervene personally in this issue, which is a matter of life and death for farmers in Canada?

[*English*]

Hon. Bill McKnight (Minister of Agriculture): Madam Speaker, as the hon. member is aware, we have just had discussions with the Director General of GATT, Mr. Dunkel, the Minister for International Trade and myself with the Cairns group, with the Quad. After we had concluded those discussions, putting forward Canada's position on the strengthening and clarification of article XI, a position which was developed by the producers and by the provinces and put forward throughout the negotiations by the Government of Canada, I had an opportunity with my colleague, the Minister for International Trade, to meet with the leadership of the supply managed products in Canada. We went over the discussions we had all had in Geneva and the contacts that we had made and the position we have continued to put forward. The outcome of the discussions, as we concluded yesterday between the farm leaders and the Minister for International Trade and myself, was that we would continue to put forward the position for strengthening and clarification of article XI under GATT as had been developed by the stakeholders and put forward by the Government of Canada.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, that is not very reassuring. I would like to ask the same minister a supplementary question. On July 23, 1988, the hon. member for St. John's West, who was then Minister for International Trade, told us that Canada would refuse to conclude any negotiations with GATT that would endager our milk producers.

Can the minister still tell us today, can he even assure us, as his colleague did in the past, that Canada will refuse to sign a GATT agreement that would endanger article XI? Yes or no?

[*English*]

Hon. Bill McKnight (Minister of Agriculture): The hon. member has to recall what article XI is about. Article XI as it exists today is not sufficient in the minds of the producers of supply managed products, those industries, to give them the protection that they believe is important and the government believes is important, to allow them to continue the type of supply managed system that we have in Canada today.

In answer to another colleague from the Liberal Party, I had put forward that the discussions that are taking place are discussions between 108 nations. Canada has put forward its position on article XI for strengthening and clarification. We will continue to do that. The hon. member is speaking as if there has been a conclusion of GATT and those discussions. There has not been a conclusion of those discussions. There are 108 countries presently putting forward proposals to strengthen the economic activity in the world. Agriculture is one very, very important part of those discussions that are under way today.

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DAVID MILGAARD

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, my question is for the Deputy Prime Minister.

Finally, after having spent 22 years in prison, David Milgaard is having his case referred by the government to the Supreme Court of Canada for a review. The fact remains, Madam Speaker, that David Milgaard is still in custody.

After what the Milgaard family, and David Milgaard in particular, have been through because of delays in this matter, I think it is time to show some humanity. I want to know why the government will not provide that David Milgaard be released on bail so that the Milgaard family have a merry Christmas finally after 23 years.

• (1140)

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Madam Speaker, as my hon. colleague has indicated, the Minister of Justice did announce her decision today to refer the case to the Supreme Court.

I understand that with respect to the specific question of my hon. colleague that the minister has indicated that it would be up to Mr. Milgaard's attorneys to make such a request to the appropriate court.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, if the government follows the procedure that was set forth in the Donald Marshall case, David Milgaard could be out on bail by Christmas and Mrs. Milgaard, who is truly a remarkable woman, would have her son home for the holidays.

I want to have assurance from the government and will the government give me the assurance that it will provide in its reference to the Supreme Court of Canada that the Supreme Court entertain a motion for bail from Mr. Milgaard and his lawyers and that they will deal with it expeditiously.

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Madam Speaker, again as I have indicated, the Minister of Justice in answer to a similar question this morning indicated that the attorneys of Mr. Milgaard should make the appropriate request.

I understand that on another matter Mr. Milgaard has already benefited from escorted releases in the past and I understand that he obviously will be eligible for such temporary releases in the future, unless the court gives him bail as the hon. member suggests.

[*Translation*]

AGRICULTURE

Mr. Lorne Nystrom (Yorkton—Melville): Madam Speaker, I also have a question for the Minister of Agriculture.

As he knows, over the past 20 years, marketing boards for milk, turkey, chicken and eggs have been extremely important to farmers in this country, especially to milk producers in Quebec, who account for nearly 50 per cent of Canada's milk production.

As a point of clarification, Madam Speaker, since it is so important for farmers, could I have assurance from this minister now that in the GATT negotiations, the Canadian government will protect these marketing boards which are essential to the survival of agriculture in this country? Can I have categorical assurance from this Minister of Agriculture?

[*English*]

Hon. Bill McKnight (Minister of Agriculture): Madam Speaker, the hon. member asks a question that is important, not only to the province of Quebec and those producers, but to producers throughout Canada.

There is a large percentage of production in Quebec in the dairy industry, as he referred to. I can only say to the hon. member that the position that has been developed and put forward by the Government of Canada, that of strengthening and clarification of article XI as it now exists under the GATT, is a position that was developed with the producers. As late as yesterday in discussions with the farm leadership, that position will be maintained.

The hon. member is suggesting that Canada, being one of 108, has the ability to control the outcome of GATT. What we have the ability to do, as everyone else has the ability to do, is to put forward a position that is in the best interests of our producers and we will continue to do that.

Mr. Lorne Nystrom (Yorkton—Melville): Madam Speaker, I will put a direct question that I think is very important.

If article XI is not strengthened and in view of the importance of these marketing boards for the producers for a stable income and consumers for a stable supply of food products in these areas, can the Minister of Agriculture assure us that if the marketing board system is weakened in any way that he would recommend that his government not sign a new GATT agreement that would deprive us as Canadians of the right to protect our own farmers in this country. Yes or no to that very specific question.

Hon. Bill McKnight (Minister of Agriculture): The hon. member suggests something that I do not think he has thought through, whether Canada would be able to exist outside the world trading community, whether it be in dairy, eggs and poultry or whether it be in the industrial manufacturing area or the export of products throughout the world.

The hon. member is suggesting that Canada could exist independently. What I have said to the hon. member and continued to say as late as yesterday in discussions with the farm leaders, and the farm leaders in the supply managed areas agree, is we have a position that was developed jointly, a position we believe is in the best interests of consumers and producers in Canada and we will continue to pursue that position.

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ETHANOL

Hon. Ralph Ferguson (Lambton—Middlesex): Madam Speaker, I have a question for the Minister of Agriculture.

The minister should know that the Canadian Renewable Fuels Association estimates that if all gasolines in Canada contained 10 per cent ethanol it would require between 8 million and 10 million bushels of Canadian grain, which is almost one-fifth of our total annual production in Canada. Ethanol blended gasolines are already labelled environmentally friendly.

Why is this government dragging its feet in creating this huge new domestic market for Canadian grain that would also serve to clean up our environment?

Hon. Bill McKnight (Minister of Agriculture): Madam Speaker, as the hon. member may be aware—and from his question he may not be aware—this government has been involved in developing ethanol production to be used in gasoline.

I can take the hon. member to two examples in the province of Saskatchewan that this federal government has been involved in. One happens to be Kerrobert with North West Food and Fuels where grains are used to produce alcohol.

The other happens to be in Langham, Saskatchewan in conjunction with the Saskatchewan Wheat Pool, where the Department of Western Economic Diversification, the provincial government and Sask Pool are again involved in the production of ethanol to be used in gasoline and the by-products being used in a cattle feedlot operation.

This government has supported the production of ethanol from grains and will continue. There are provinces that are supporting the production, along with the federal government. We believe it is an important source. It is important for the environment. We look forward to continued co-operation and growth in this area.

Hon. Ralph Ferguson (Lambton—Middlesex): Madam Speaker, I am very much aware of the new plant at Langham, Saskatchewan, and one at Minnedosa, Manitoba and I am aware of some other smaller ones being built. But they will only serve a small fraction of our needs in Canada.

A 10 per cent ethanol blended gasoline would replace the octane enhancer methylcyclopentadienyl manganese tricarbonyl currently used in Canada. This substance attacks the nervous system of the human body and was banned in the United States in 1978. Evidence is mounting that the health of Canadians is being affected by these gasoline additives.

Will the minister act now to ban MMT in Canada and protect the lives of the Canadian people, particularly our children who are most vulnerable? When will this government get behind the Canadian Renewable Fuels Association, give it full support and stop supporting a product that has been banned in other countries?

Hon. Bill McKnight (Minister of Agriculture): Madam Speaker, I think the hon. member is putting forward an outrageous hypothesis I do not agree with. There is no scientific evidence that would allow him to substantiate the accusations that he has made.

This government is interested in ethanol production. Ethanol production is important from two points: the environmental point and the ability to use a renewable resource.

We have been involved in ongoing discussions with that industry as the hon. member knows. We have given support as the hon. member knows. We will continue to give that support.

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LEAD AND MERCURY

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, my question is for the Deputy Prime Minister.

Earlier this week the Minister of Consumer and Corporate Affairs said in the House that the use of lead in paint had been eliminated by voluntary compliance by the industry. But a report from his own department contradicts this statement and says clearly that lead and mercury in paint continue to be a health hazard to children even before they are born.

Why is the government refusing to say no to lead and mercury in paint? Why is it refusing to co-operate with the industry which wants a ban and has asked the government for a ban to protect our children?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I will take that representation on behalf of the Minister of Consumer and Corporate Affairs, but my recollection is that yes, there are lots of houses that still have paint which was put on at a time when the danger of lead was not recognized, high lead content paint in renovations and so on. This represents a hazard. That is all the Minister of Consumer and Corporate Affairs said. There is a hazard out there.

In terms of outlawing paint in any and every application, I am sure the hon. member would recognize that that makes sense when there is any chance of human contact but may not make sense when there is no chance of human contact.

• (1150)

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, the minister said clearly that co-operation with the industry had eliminated the addition of lead in paints. That is simply not the case.

A spokesperson on product safety said on radio months ago that regulations were being prepared. The paint industry asked in September 1990 that the government ban the addition of lead and mercury in all new paints. The government has not acted.

To be very blunt about it, how many more children have to be poisoned before the government does what the industry and everybody else wants and bans lead and mercury additions in paint? It is that simple.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I do not think there is any argument. No one in this House is arguing that lead and mercury are not poisons and they should be eliminated to the extent possible so that there is no human contact.

It certainly does not do her case any good to stand up here and claim that children are dying in this country right this very moment because of lack of action. That is simply false. She knows it, and I wonder why she has to resort to scare tactics like that rather than just pursue in a logical reasonable fashion the appropriate and reasonable representation that lead and mercury be limited.

It is not necessary to go around scaring people and saying that kids are dying because of this situation.

* * *

CANADA—UNITED STATES FREE TRADE AGREEMENT

Mr. Felix Holtmann (Portage—Interlake): Madam Speaker, my question is directed to the Minister of Agriculture.

Previously I heard the minister indicate to this House that there had been a profound increase in the export of Canadian agricultural products as a result of the free trade agreement with the United States.

How extensive was the increase of trade with the United States? Was there any negative impact to the marketing boards that presently exist in Canada as a result of the free trade agreement?

Hon. Bill McKnight (Minister of Agriculture): Madam Speaker, the hon. member is right to draw to the attention of the House the increase in trade that took place after the free trade agreement between Canada and the U.S. took effect.

The increase in agricultural trade since January 1, 1989 was some 25 per cent. Agriculture increased some 25 per cent from that time period. That is very important when we look at the percentage of agricultural imports. The imports into Canada only increased by 16 per cent. There was a net benefit by Canada in signing the agreement between the United States in the area of agriculture.

The hon. member also is aware, as my colleague pointed out yesterday, that there was a marketing agency created under the supply management system since the U.S.-Canada Free Trade Agreement came into effect. The Broiler Hatchery Agency was created in that atmosphere and added to the ability to export more agricultural products to the United States than we had before.

* * *

REFUGEES

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, in the absence of the Minister of Employment and Immigration, I address my question to the Deputy Prime Minister.

As the government knows, the United Nations Convention on the Rights of Refugees which Canada signed forbids Canada to cause a refugee to be forcibly returned directly or indirectly to a country where he would face persecution.

Will the minister confirm that Canada is seeking an agreement with the European Community that would enable Canada to remove refugee claimants without having examined their claims to European Community countries through which they pass *en route* to Canada?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Madam Speaker, I can assure the hon. member that we as a government recognize our responsibility to respect the various conventions that have been signed. If the hon. member is referring to the Dublin convention, we may remind the House that we support the development of international strategies and that, as a government, we will always respect the international conventions we have signed.

[*English*]

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, I have a supplementary question for the same minister.

Since some countries of the European Community do not have nearly such high standards of definition and treatment of refugees as does Canada, will the minister assure this House that Canada will not remove any refugee claimant unless his or her refugee claim has been examined and judged ungrounded?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Madam Speaker, the hon. member is familiar with our procedures. Every claim is examined individually, and our approach is humanitarian. And, of course, all the eventualities to which he referred will be dealt with according to the procedures established under our Immigration Act.

* * *

[*English*]

AIRPORT SCREENINGS

Mr. George S. Rideout (Moncton): Madam Speaker, in the absence of the Minister of Transport, my question is for the Deputy Prime Minister. It concerns the tendering process for the pre-board screening contract at the Moncton airport and at other airports in Atlantic Canada.

The previous Minister of Transport stated: "When tendering contracts for airport screening services, the airlines will include a specification to protect current employees' wages and fringe benefits at the levels of the existing contract".

The employees providing this service are to be fired and new ones hired at substantially lower wages because a new company has been awarded the contract. What is the government prepared to do to protect these employees?

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Madam Speaker, I think the hon. member is aware that the awarding of contracts and the resulting changes of screening personnel is strictly a negotiating matter between the carrier and the security guard agency.

Mr. George S. Rideout (Moncton): Madam Speaker, I have a supplementary question. That response is nonsense.

This contract is renewed every three years and the government has a moral obligation to protect those employees so that they are not victimized by having new contractors undermine any improvements in salary, or worse that they lose their jobs.

When will this government take a stand for fairness?

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Madam Speaker, I think the hon. member is also aware, because the question has been previously answered in the House, that in 1988 the former Minister of Transport came to an agreement with the airline industry regarding the protection of current employees' wages and fringe benefits for rehired employees.

Transport officials are currently looking at the awarding of the new contract to ensure that the previous commitments are respected.

* * *

[*Translation*]

POST-SECONDARY EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, my question is directed to the Minister of Finance. When granting student loans for post-secondary education, the government still uses data that were collected in 1984, in other words, data that are already seven years old. This practice or policy, if you prefer, is preventing thousand of students from receiving millions of dollars in financial assistance. Why is the government still using this obsolete information? Why does it continue to give students this kind of insensitive treatment which prevents them from pursuing an education that will prepare them for good jobs later on?

Hon. Robert de Cotret (Secretary of State of Canada): Madam Speaker, the government could not agree more that a thorough review of the student loans system is necessary. I have said so many times in the House, and I have said so to the hon. member. The program was started 27 years ago and has not been changed since then. However, I can inform the hon. member today that we are very close to tabling a completely revised version of the student loans system that will meet the primary objective of the program, which is to help students in need to finish their education and become full-fledged Canadian citizens.

[*English*]

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, my supplementary question is for the Minister of Indian Affairs and Northern Development.

The minister will know that the Assembly of First Nations met in Ottawa this week and it has completed a report entitled *Tradition and Education: Towards a Vision of Our Future* which includes a declaration of First Nations jurisdiction over education.

As well, in 1990, the Department of Indian Affairs and Northern Development contracted with Mr. Jim McPherson, Dean of Osgoode Hall, to research jurisdictional issues in native education.

Is the minister aware of the contents of the first report, and is the minister prepared to tell this House when he will table this second report, this study which he has had since September of this year?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Madam Speaker, I am not aware of the content of the report or the recommendations that might result therefrom. When my officials have completed the analysis of the report I will be happy to review it and bring it forward at the appropriate time.

I should say that the federal government is fully committed to devolving education responsibility to First Nations. In fact, we have an impressive track record of turning over to First Nations leadership both at the primary and secondary levels, as well as at the post-secondary level the responsibility for education administration.

• (1200)

I signed an agreement with the Assembly of Manitoba Chiefs on an innovative five-year program of education research. We now have a situation where 87 per cent of the post-secondary funding available to aboriginal students is administered by Indian administrative organizations. Most schools are Indian administered and the priorities are set by native leadership.

* * *

MANITOBA ECONOMY

Mr. Rod Murphy (Churchill): Madam Speaker, my question is for the Minister of Finance.

The minister is aware that the Manitoba economic indicators are all negative. They are all in decline. For example, in investment, Manitoba ranks eight out of ten; in retail trade it ranks eight out of ten; in housing starts Manitoba ranks ten out of ten; in building permits Manitoba ranks eight out of ten; and in manufacturing shipments Manitoba ranks ten out of ten.

I ask the Deputy Prime Minister what specific agreement the federal government is negotiating with the province of Manitoba to try to turn around this very dismal economic performance?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the hon. member knows, the western diversification initiative has funded well in excess of $1 billion toward endeavours in western Canada. It has been very much a part of strengthening and broadening the economic base in western Canada.

In addition, there are the ongoing programs that are negotiated on a partnership arrangement under the auspices of the co-operation agreements wherein the province itself identifies the priorities that it wishes to identify and support. We work out agreements on that basis.

I should say to the hon. member, because I am sure he would be interested, that in terms of regional development funding as outlined in the budget of February 1991, out of the total package of $1.1 billion western Canada is getting about $363 million in terms of the western regional development funds which are in addition to some of the established programs.

I guess the short answer is that there are a number of co-operation agreements in place. We are providing heavy support to the agricultural sector. Of course we are always interested in sitting down with the provinces and helping them work toward developing any new industries or expanding any sectors that they wish to identify.

Mr. Rod Murphy (Churchill): Madam Speaker, on a short supplemental, I would also indicate that since the Western Diversification Program came into effect that is when we started to have these dismal figures in the province of Manitoba.

Again referring to the government's own figures, my question is this: The region of Canada within our provinces that has the highest unemployment is northern Manitoba with 23.3 per cent unemployed. Why has this government not negotiated a new northern development agreement to make sure there is infrastructure and training in that region.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member bad-mouths the western diversification initiative. There are something in the order of 400 specific projects that have been funded or assisted through the Western Diversification Program.

An hon. member: In Manitoba?

Mr. Mazankowski: In Manitoba alone. In total there have been 2,700 initiatives funded in western Canada.

Is the hon. member suggesting that we should cancel the western diversification initiative, that we should cancel the 300 or 400 projects that have been funded in Manitoba? Is that what he is suggesting? When he says that everything has gone to hell in a hand basket since the western diversification initiative came in, it means that he is not supportive of the 300 or 400 projects that have been funded.

* * *

HEALTH

Ms. Ethel Blondin (Western Arctic): Madam Speaker, my question is for the Minister of Finance.

Yesterday I met with Barbara Hood Hall, president of the Northwest Territories Mental Health Association. Mental illness affects more Canadians than any other disease. The northern territories lead the nation in illness and poor health. The north experiences higher death and disease rates and higher birth and infant mortality rates than the rest of the country. Cancer is four times greater. It has the highest rate of suicide in the country.

Knowing this, how can the minister withhold moneys much needed for this desperate situation from the Government of the Northwest Territories?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Madam Speaker, since the most recent agreement on formula financing, which I believe was signed in December 1989, the Government of the Northwest Territories has been accepting more and more responsibility for the administration of programs in the general health area. We have had a number of discussions with the Government of the Northwest Territories about the responsibility it has accepted to administer these programs.

I recently spoke with the new premier of the Northwest Territories, Nellie Cournoyea. Of course there are matters that will continue to be under discussion. I might remind members that the formula financing initiative led to an increase in per capita funding into the Northwest Territories in the past year as compared to previous years. This is a very generous and appropriate means of ensuring adequate fiscal support and fiscal arrangements with the Government of the Northwest Territories.

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POINT OF ORDER

REQUEST FOR TABLING OF REPORTS

Mr. Willie Littlechild (Wetaskiwin): Madam Speaker, during Question Period the member for St. Boniface referred to two reports in asking a question of the Minister of Indian Affairs.

I am wondering, through the Chair, if those two reports could be tabled at an appropriate time.

ROUTINE PROCEEDINGS

[*Translation*]

OFFICIAL LANGUAGES

TABLING OF THIRD ANNUAL REPORT

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): I am pleased as President of the Treasury Board to table in both official languages the third annual report on official languages in federal institutions for the fiscal year 1990–1991, pursuant to section 48 of the Official Languages Act.

* * *

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 15 petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

Routine Proceedings

HOUSE MANAGEMENT

EIGHTEENTH REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I have the honour to present the Eighteenth Report of the Standing Committee on House Management.

[*Editor's Note: See today's Votes and Proceedings.*]

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PETITIONS

JUSTICE

Mr. Stan Keyes (Hamilton West): Madam Speaker, I have the honour, duty and privilege to present to this House a series of petitions according to Standing Order 36, certified correct by the Clerk of Petitions.

These petitions contain the signatures of Canadians living in my home town of Hamilton, as well as Stoney Creek, Caledonia, Beamsville, Dundas, and Burlington. They join the thousands of other Canadians who have signed petitions which have been presented in this august Chamber.

All the petitioners are in support of the parents of Nina De Villiers. They request that Parliament recognize that crimes of violence against the person are serious and abhorrent to society. They call upon us to amend the Criminal Code of Canada, the Bail Reform Act of 1972 and the Parole Act accordingly.

CFB CORNWALLIS

Mrs. Coline Campbell (South West Nova): Madam Speaker, I too rise under Standing Order 36. I have the honour to present another petition signed by people in the Middleton, Nictaux, Paradise and Greenwood areas of Nova Scotia.

They want to remind the government that CFB Cornwallis has first-rate facilities that could easily accommodate any new duties, in addition to recruit training, that the Department of National Defence might require.

With that in mind, they humbly call upon this Parliament to urge the Department of National Defence to add to its present operations a recruit training school at CFB Cornwallis.

Government Orders

CHILD CARE

Mr. George S. Rideout (Moncton): Madam Speaker, it is a pleasure pursuant to Standing Order 36 to rise and present a petition from constituents of mine who reside in Moncton, Dieppe, Salisbury, and Riverview asking the government to amend the Income Tax Act, so that the child related benefits and deductions for child care are fair and equitable to all family structures based on financial need and irrespective of child care choices.

* * *

• (1210)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

Madam Deputy Speaker: Shall all questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

CANADA LABOUR CODE

MEASURE TO AMEND

M. Weiner (for the minister of Labour) moved that Bill C-44, an act to amend the Canada Labour Code (geographic certification), be read the third time and passed.

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, I would like to spend a few minutes speaking on third reading so that we can emphasize that what we are doing today, namely an amendment to section 34 of the bill, is a first in Canada. Likewise, the issue that we have to deal with by way of that amendment to section 34 is almost a first in Canada as well. I believe that it is appropriate to stress that fact.

Back in 1973, and it is still true, the object of section 34 was to ensure that marine employers would appoint a representative that would be under a strict obligation to negotiate with the longshoremen. The problems that arose, particularly in the riding of Trois-Rivières, at the Trois-Rivière and Bécancour harbours, have to do with the fact that in the last six years, the longshoremen in Trois-Rivières have not had the opportunity, and I insist on the word opportunity, to negotiate a collective agreement because the employers kept passing the buck to each other through injunctions, temporary, permanent and others, so that there would not be anybody at the table that had the authority or the mandate to negotiate with the employees. I believe it is important to emphasize this while at the same time ensuring that once this bill is passed in this House, the other place, as we like to call it, will give its approval quickly. And, Madam Speaker, I rely on the hon. member for Kenora—Rainy River to send the appropriate message to his colleagues in the other House, so that this bill can be passed quickly. I can tell the hon. member that I will also inform the senators that they must act diligently as regards Bill C-44, which is essential to solve the dispute in Trois-Rivières, and to make sure that the longshoremen, who have been on strike for two months now, can go back to work with a formal collective agreement, which is something they need and have been without for six years.

Madam Speaker, allow me to stress the fact that I am honoured to sponsor this bill which is a concrete achievement by an hon. member for his riding. This is a good example of an issue that had reached gigantic proportions in judicial terms and which, I believe, will be solved with this bill. I also want to emphasize the work of the hon. members for Churchill and Kenora—Rainy River, who co-operated so that we could proceed quickly.

Of course, as you know, Madam Speaker, the House leaders are always involved, and I would like to thank my own House leader and the two others as well, who were very co-operative and agreed to let this bill go through the House a little faster than usual, for economic reasons—the port of Trois-Rivières is strike-bound—and for humanitarian reasons as well. As you know, Madam Speaker, when employees have not had a wage increase for six years and have been on strike for two months, there is a major problem. However, with the support of the House and that of the other place, I hope the federal government will be able to do its share to help them deal with their problems.

Perhaps I may also mention the patience and hard work of Mr. Bernard Paquet, the union rep, and members of the Trois-Rivières longshoremen's unions executive, Wilfrid Martel, Stanley St-Louis, Jean-Guy Lafrenière, Léo Dumont, and all the others, including Robert Lemay, and so forth. I won't name them all because I am sure I will forget a few, but I just want to say how patient they have been throughout this whole process. They are dedicated to their cause, and they are dedicated to helping their fellow longshoremen. I think that has to be said.

Madam Speaker, this bill will, I hope, be passed today, and in concluding, I would like hon. members to realize that if the bill is adopted today, we will soon be able to say to our people in Trois-Rivières: mission accomplished.

[*English*]

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, I too would like to enter the debate at third reading and make a few comments. I think it is imperative that we understand the importance of this legislation, Bill C-44, and the changes to section 34 of the Canada Labour Code.

Before I commence with talking in particular about this piece of legislation, I must say that it is very frustrating to hear and to try to put together some sort of focus in one's mind as to why it has taken almost seven years for this government to bring this piece of legislation forward. It has complete knowledge of the fact that the employees in this case have not been able to get an increase in wage and have been dealing basically in a vacuum without a collective agreement.

Having had the experience in the labour movement and being involved in collective bargaining processes myself, I know very well just how difficult that whole scenario would be to an individual who would have to go to work every day not having the collective agreement in place that would give them the incentive to want to be the best employee possible.

I would say to the government opposite that it basically is high time that we put this piece of legislation and this change to the Canada Labour Code in place. I question the wisdom as to why it was even brought in at this late stage this week because of the fact that the Senate is not here. One of the problems that we are going to have now is that we will probably have to wait until next week at the earliest to get this legislation right through the final process in order that the collective bargaining rights of the workers can be maintained through the process of collective bargaining by forcing the employers to go to the bargaining table.

One of the things people who are listening to us today have to understand is that what this amendment basically does is allow the CLRB to simply enact the changes necessary to force the employers to put someone into place and if they do not do it within a reasonable time then the CLRB will do it for them.

One of the things we talked about in committee this morning was that it is a possibility even with these changes that we will still be delayed for many more months simply because we will have to wait for the CLRB to have interviews with the different employers and ask them why it is that they have difficulty coming to an agreement. Furthermore, it will have to wait for interventions of all the employers, if necessary, before it can make a ruling on who it will choose if that becomes necessary.

I would suggest to the government opposite in its letter to the CLRB that when the necessity and issue at hand is explained to them that it also make it very clear that this has to be dealt with very expeditiously and if there are other issues that are before them that they be put aside in order that this can be dealt with first hand.

• (1220)

The reason for that is because the employees, as we know, whom we are dealing with now are on strike at this moment. Christmas is coming. It is quickly drawing near. I think it is high time that they get back to the bargaining table and deal with the issue in its entirety.

I also question the wisdom of whether we are resolving the issue. I ask if it is going to improve the collective bargaining process in that particular geographic zone. We have been going through a process in the last six or seven years of these employers not having the ability to get their act together and agree on a particular representative to go forward and get involved in the collective bargaining process as is their right to do. It is also their moral obligation as it relates to their employees.

I suggested in Committee of the Whole that they undertake a complete review of the geographic certification of that area and look at it in its entirety to see if there is the possibility or the necessity to change it somewhat to reflect the realities of the situation. When we take a look at how long this has been in place, which is since 1973, there can be and there probably are some significant changes that have taken place since then.

I want to suggest to the government opposite that we on this side approve of this particular piece of legislation in its entirety. We have some reservations and concerns as to just whether it will be as effective as it could be. We hope that we can resolve this issue for the men and women who are involved in the dispute.

We would ask that the House pass this quickly and that the the other place do the same. We will certainly do as the member has indicated. We will send the message to the Senate that we on this side of the House feel that there is no reason to delay the legislation. It should be passed as quickly as possible.

Mr. Rod Murphy (Churchill): Madam Speaker, I will start my very short remarks by sharing a concern that I think the Liberals and the government representatives alluded to and it is that we are asked in this House to rush the legislation because there is a perception of a need. At the same time we know that the Senate is not sitting today. We know that the Senate will not be sitting over the weekend. It will not be sitting Monday and the earliest that this legislation will be dealt with is on Tuesday.

I question how the government can get up and state that there is a need to pass this legislation quickly and at the same time not make any arrangements to have the Senate deal with the legislation.

I also find it ironic that where there is a situation such as a strike or a lock-out, this government normally will move very quickly in the perceived national need.

As was pointed out by the previous speaker, this problem has existed for a number of years. The employees have been without a collective agreement for seven years. The company that has refused to accept the Maritime Employers Association as the bargaining unit for the employees has had injunctions in place over the last two years.

The strike itself has existed for 60 days. There did not appear to be any concern by the government on this issue until the last possible moment. In addition to that, when we were asking for government legislation last week this particular legislation was not even indicated as something that the government intended to deal with on Thursday or Friday of this week.

For that matter the discussions between House leaders earlier this week did not have this legislation down. You have to wonder where the government's priorities are and where the government's commitments are.

I congratulate the member for getting the legislation into the House but I think it could have been done better. I think that there is still going to be a sense among employees across this land that if it is legislation that works against their interests, this government moves quickly, but where there is legislation that works in the interests of the employees, this government does not move quickly. It moves very slowly.

Obviously the regular apparatus of the government through its House leader does not work in their best interests.

I would also like to raise the issue that was dealt with in Committee of the Whole. The fact is that there is nothing preventing the employer group that sought the injunction from trying to create further trouble in this particular instance.

There is nothing preventing that employer from seeking an injunction while it appeals its case before the Canada Labour Relations Board. Again as was mentioned in Committee of the Whole there is nothing saying that we will get a quick decision from the Canada Labour Relations Board. It may be put as a priority. It may not be. We do not know that.

There is an indication by the government member who spoke. He was the very member who has been pushing this bill. He hoped that this issue would be dealt with quickly but he did not believe that timetables should be put in place for a quasi-judicial board.

We put timetables in for all sorts of agencies and all sorts of individuals. People who do not like an unemployment insurance ruling have 30 days to appeal, which is not very much time for an individual to collect the information that he or she may need before appearing before a quasi-judicial board. Labour legislation often has a timetable or a deadline in it for an arbitrator to rule.

Consider the length of time that has been involved. It has been seven years that we referred to without a collective agreement and two years since the company sought its first injunction to try to get around the Canada Labour Code. There is also the fact that these people have been on strike for 60 days now because their employer is legally prohibited from negotiating.

I think in this particular case it would have been reasonable and sensible to have a clause in this legislation that said in this specific case that should there be any appeals that the board would hear the case and rule within the next 60 days. I think that would have been a very good clause to make sure that the legislation was ironclad and that the workers were not going to be facing the potential of another long drawn out mess.

With those comments, Madam Speaker, we will not delay the legislation. I sincerely regret that the Senate cannot be ordered back to work itself to deal with this legislation later today.

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the third time and passed.

* * *

CANADA PENSION PLAN ACT

MEASURE TO AMEND

The House resumed from Thursday, November 28, consideration of the motion of Mr. Bouchard (Roberval) that Bill C-39, an act to amend the Canada Pension Plan, the Family Allowances Act and the Old Age Security Act, be read the third time and passed.

Mr. Mac Harb (Ottawa Centre): Madam Speaker, let me start by congratulating the Minister of National Health and Welfare on his bill. Certainly it is never too late. One would suggest we should have seen the problem with our pension plans that we are trying to deal with in the bill today. We should have seen that a while back. Unfortunately through a miscalculation it was not the case.

The bill in fact was introduced in order to ensure the future viability of the Canada Pension Plan. I think in my view that is the thrust of the bill. Along with that there are a number of accessories that come with it such as the proposal to increase the Canada Pension Plan benefit for dependant children of disabled and deceased contributors by approximately 30 per cent. This means that if you want to look at it in terms of dollars and cents that will increase the benefit from about $113 to approximately $148 a month.

• (1230)

As a result of that there are close to 170,000 children across Canada who would receive those benefits at an approximate cost of $75 million to the government.

There are also some other changes that were introduced as a part of the bill. In a way there were some minor amendments such as amending the legislation to protect the benefit eligibility of Canada Pension Plan benefit contributors who are unable to apply in time because of incapacity. Also it extends benefits to children who come under the custody or control of an individual who is already receiving disability benefits.

This is more or less the main structure of what we are dealing with today. Under the new legislation, in order to adjust the misfortune, what we are going to see is the combined employee-employer contribution rate increasing gradually in steps starting in 1991. It will go from 4.6 per cent and will move up until the year 2011 where we will see approximately a 9.1 per cent increase. Compare that to what we have presently. If we were not increasing those contributions, then by the year 2011 an employee and an employer would only contribute about 7.6 per cent.

This is as a result of the fact that department officials or those who were involved with the calculation made the assumption that the birth rate in Canada in the 1970s was going to be at a certain level. Unfortunately those forecasts and figures were not accurate. At that time it was estimated there would be six workers that would be available to provide benefits for each retired worker in the future. But because of the decline in the birth rate we are seeing now that there are only three workers in

the work force who would be paying benefits for a retired individual.

As a result of that there is a tremendous shortfall in terms of the pension plan. In the year 2011 or 2016 we are going to see quite a bit of difficulty.

Before I move on I want to congratulate our critic for National Health and Welfare, the member for Winnipeg North. He made an excellent presentation yesterday and attempted to introduce some amendments to the legislation. Unfortunately most of those amendments were not accepted by the government. It is too bad because most of those amendments were excellent ones. I would suggest that the government should look at them again and see if it could change its view and its mind. It could hopefully approach the Senate in order to reintroduce them and deal with them.

When we talk about pensions the first thing that comes to my mind is those who receive the pension benefit and those who are no longer in the work force, our senior citizen population.

As you know by the year 2031 the proportion of the population aged 65 years and over will increase approximately four times. If you recall in 1971 we had approximately 8 per cent of population at age 65 years of age and over. According to Statistics Canada, in the year 2031 we will have in excess of eight million Canadians who will be eligible to collect pensions and who are senior citizens. That will be out of a total population of about 32 million people.

In the short term the proportion of seniors is expected to rise about 15.7 per cent by the year 2011. That will translate to approximately five million senior citizens. So it can be seen why the government is moving with its proposal now in order to avoid difficulties at a later date.

Not only are we faced with an aging population in the year 2011 and beyond, but we are also faced with a shrinkage in terms of the tax base. We will not have enough people in the work force in order to support all the existing programs or all the possible programs we might be thinking of in the future unless something drastic is to take place.

That is why I have been speaking over the past two and a half years about the importance of putting a lot more emphasis on education, investing in research and development, combating illiteracy and training and retraining our work force. It seems like every time I look at a piece of legislation or a bill before this House, if there is a deficiency or a better way to do it, the answer always seems to be that it may be through education and investment in the future of Canadians.

You will be interested to know that our population is not only aging but thanks to the technical talents of people in the industry they are even living longer. For instance in the period from 1966 to 1986, the number of men over the age of 90 has doubled while the number of women over the age of 90 has tripled.

It is also startling that as people get older they are moving away from their families. For example in 1986 about 86 per cent of men between the ages of 55 and 64 lived in a family home. For men over 75 the percentage was approximately 66 per cent. For women the decline was even greater. Almost 80 per cent of women between the age of 55 to 64 live in a family household and by the age of 75 less than 35 per cent are still in the home. You can see that we have people who might be living at home but a good portion of them are not living at home and as a result of that they are in need of a support system such as the Canada Pension Plan.

While they might or might not be living at home, I do not want anyone to get the impression that after they reach the age of 65 they sit idle. You will be very happy to know that about 25 per cent of women over the age of 65 and over 20 per cent of men over the age of 55 do a tremendous amount of volunteer work in our communities for a variety of charitable and non-profit organizations. We are seeing an incredible trend in people who are retired from the work force. It seems that they are catching on fairly quickly in acknowledging the need for education. As a matter of fact presently there is in excess of 5,300 seniors enrolled in Canadian universities. Most of these seniors are enrolled in part time courses and they take advantage of programs that many universities have been offering senior citizens free of tuition, which is something they are to be commended for.

• (1240)

Also, full-time enrolment has increased by almost 70 per cent for undergraduate study and by over 40 per cent for graduate levels.

Not only is it a challenge we are going to face to ensure that we have enough funds in our budget to deal with issues such as pensions, we also have to be geared toward introducing programs that cater to the senior citizen population in the year 2011.

As a result of that, it requires an overhaul of all our existing systems to ensure that those systems are meeting the needs of our seniors, and not only our seniors of today but also the seniors of tomorrow.

The ideal plan would be one that you can use and apply without any difficulties and without any worry. Unfortunately the existing Canada Pension Plan, when it was introduced in 1966, was built around the limit of the 25 per cent figure in the hope that employees would have other plans, such as the occupational pension plans, the registered retirement plans, and some other revenues that seniors could bank on.

Unfortunately this expectation was not realistic because many of the people who are now receiving benefits did not rely on registered savings plans. The reason is that the registered savings plan is used by people who earn quite a bit of money, in excess of $35,000 or $40,000.

As a result of that the benefit of that particular plan was not available. While we invest in excess of about $7 billion a year in retirement benefits by over two million seniors, the simple fact is that many of those seniors have to go to other sources to guarantee that ends meet at the end of the month.

Let us look at some examples. If we are to look at the different programs and see what the maximum a senior citizen or a retired individual can collect from all of the possible pensions, we will find that a single person is relying on Canada Pension Plan benefits of around $6,800, old age pension of about $4,000, the guaranteed annual income in some cases of about $1,400 or $1,500, for a total income of about $12,200.

In an urban centre the poverty line is approximately $12,000 a year. Therefore, the system, even if it is used to the limit, barely deals with the problem.

To that extent, our pension plans, even though they are very fine plans, are still not really meeting the objective as one would like to see them doing.

For example, in 1989, 57 per cent of single people between the ages of 65 and 69 had an income below $15,000 a year, and 68 per cent of the people over the age of 70 had an income below $15,000. Those figures are only the tip of the iceberg. In the same year close to 40 per cent of all single senior citizens lived below the poverty line, as established by Statistics Canada. Approximately four out of every 10 senior citizens live below the poverty line.

Of single elderly people living below the poverty line, about 80 per cent of those people are women. About 41 per cent of all single females who live below the poverty line and 26.9 per cent of all males who live below the poverty line are asking for help or seeking assistance. This is a situation that needs to be addressed. However, if we are to just introduce a plan and not look at the cost of living or the different types of difficulties our seniors are faced with, in the very near future we will see a greater number of our seniors living below the poverty line. That will be a catastrophe.

While I indicated that there are a lot of good things in the proposed bill, there seem to be some difficulties. My colleague from Winnipeg North has stated his views on those issues. For instance, the current Pension Plan Act defines conditions necessary for receiving disability benefits as being severe and prolonged. This language, as it has been stated, is quite ambiguous. Our suggestion, made by my colleague, is that the definition of "severe" should be a person who is unable to do his or her usual type of work without mental or physical pain, preventing the person from fully discharging duties of that job as determined by a licensed medical doctor.

Unfortunately in my constituency office we are faced with a situation in which somebody who had a heart attack and applied for his pension had great difficulties trying to receive benefits. We also wanted to see "prolonged" defined as three months or more of continued disabilities.

There are other amendments that my colleague tried to put before the House. Unfortunately many of those amendments were not adopted. However I would like to bring to the attention of the minister the fact that in the area of the Canada Pension Plan, the Family Allowance and the Old Age Security Act there is a need for a close

look at not only the over-all management of it but the services we are providing to the community.

You will be surprised to learn that in some cases for an applicant to receive benefits that applicant would have to wait in excess of about four months. There is a tremendous backlog of applicants, in excess of 50,000 across Canada. It takes about three months to get a slight change in address of an applicant or an existing potential beneficiary.

Those are issues the government should look at. In closing, I would like to say that I wish the government would look at our amendments as presented by my colleague from Winnipeg North and try to deal with them in an appropriate fashion.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, I am sure my hon. colleague from Ottawa Centre is aware that currently in the Canada Pension Plan Disability Benefits section, these benefits may be severed if the beneficiary tries to retrain for re-entry into the work force.

As critic for the disabled, I was working with the task force across Canada this past spring and summer. One of the comments that almost everybody who appeared before this task force mentioned was that these people are trapped because they are getting this disability pension. If they should try to stop being completely supported by the government and get retraining or get a minimum wage job they would immediately have all of these benefits cut off.

• (1250)

That means they have to try to get back on to these disability pensions, or they just do not make the move at all because they have no means of support. Without this disability pension they cannot pay for their equipment or the medicine that they need regularly and that they must pay for.

I just wondered if he agrees with me that it is too bad the government did not accept the amendment suggested by our colleague that would allow disabled Canada Pension Plan beneficiaries to take training or education courses in a recognized institution and prepare for alternate work without forfeiting the benefits they were getting. This would be a very reasonable thing to have included in this bill.

Mr. Harb: Madam Speaker, I would like to thank the member for Hamilton Mountain for a question very well put.

I know she has been involved with the task force that travelled across the country to listen to the concerns of the disabled. She has done a magnificent job in this area. I am looking forward, as well as my colleagues and I am sure all members of this House, to receiving a copy of her final report so we can exchange some information in this area.

Certainly the member raised a very good question. Any system, any type of benefit or any type of program should never penalize the recipient if he or she is taking any type of training courses or achieving any type of education to further their knowledge or make them better citizens.

There is no question in my mind that when you look at the system that we have in place, whether the benefit that my colleague is talking about or any type of benefit, you can see that it does discriminate against people who want to become better citizens in our society.

For that reason, the government has a moral obligation to look at all of our social welfare and social assistance programs to ensure that those programs are not only meeting the needs and objectives they were created to meet, but also that they could be used as an incentive to encourage and help those recipients who decide to receive an education or go back to training institutions.

As my colleague indicated, right now it is the opposite. The system is in fact discriminating against those who want to improve their qualifications and become better citizens.

That takes me to another point. We seem all the time to be dealing with the problem rather than trying to anticipate problems or putting plans in place that would prevent problems from taking place.

It is my hope that we will shift away from the short-term proposals to long-term proposals that will change our society as a whole. I think the act is a good one. I think there is a lot of merit in it. However, examples like the one my colleague spoke of, which the government should look at very seriously, shows there is no need why they cannot amend or change it.

There is no reason why. I do not see why they do not look at those amendments and implement them. Someone might say: "It is a little too late". However, it is never too late. The bill has gone for third reading, and after the bill will be on its way to the Senate. Maybe the minister will meet with the officials of the Senate and try to introduce those amendments.

I want to close by congratulating my colleague on her great work in the area. It is a very well put question. I totally agree with her.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, one of the problems we have had with the federal-provincial assistance plans over the years has been that every time someone on provincial assistance programs receives the Canada Pension Plan, their provincial moneys are reduced by the same amount as their Canada Pension Plan. Therefore, they are really no better off than they were before. They may indeed have a very serious medical problem.

I would just like to have the hon. member comment on this. In my offices we have settled case after case for Canada pension recipients. I must say that the Canada Pension Plan personnel have been very good to deal with as far as this member is concerned. I give them full marks because they do have a tremendous burden of work.

I would like the hon. member to comment on this process, because it seems to me that it does not solve a major problem for the individual when he starts receiving a cheque from the federal hand and ceases to get the same amount from the province. That really does not solve his or her problem. Would he comment on that, please?

Mr. Harb: Madam Speaker, that is a very well put question. This is another example that helps to make the case that what we have before us, while it does deal with part of the problem, does not seem to be able to deal with the problem as a whole.

To that extent, I hoped that the federal government would have had a chance to study our amendment and our suggestions so that loopholes in the system, such as the one my colleague has mentioned, could have been dealt with in a very equitable and forceful way.

There is no doubt in my mind that our seniors and people who are retiring should not be running around trying to go to this agency or that agency. They would not have to do all that if the system in place was fine-tuned and it was properly organized so that it was a one-stop shopping arrangement.

A senior citizen or retired person should not have to be fighting with this agency and that agency, this level of government and that level of government, and going from this account to that account. It is really quite frustrating and I can understand why the hon. member is raising this point.

I do not know when the government is going to sit down and have a look at the way we do things when it comes to providing services for our seniors. As I indicated a little earlier, the time has come for us to address the whole question of a society that has an aging population and a shrinking tax base, a society with a lot more to offer and a lot to lose unless we focus on issues of long-term planning for both our seniors and our youth.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, as I see you in the chair today doing your usual fine job of chairing this House it reminds me that it was also a woman who initially introduced the Canada Pension Plan to this House.

The Canada Pension Plan was introduced in this House by the Hon. Judy LaMarsh and became effective on January 1, 1966. Prior to that the Hon. Edgar Benson, who was then Minister of National Revenue, did the spade work with the provinces, going from province to province meeting with the ministers of health in order to put the plan together. Then the Hon. Judy LaMarsh introduced it and piloted the legislation through this House.

In her memory I think it is very important to state today that this legislation, which she piloted through the House back in the early 1960s, has been a tremendous service to tens of thousands and hundreds of thousands of Canadians. We will salute her today.

• (1300)

The Canada Pension Plan is one of the great support blocks, the cornerstone in many ways, of our social net in this country. Many people come to my office who have been turned down when they applied for Canada pension, and we take up their case for them.

The first thing that I always insist on when talking to them is that they bring in the doctor's report. Sometimes doctors give them a report saying they are capable of doing light work. That is the worst thing that can happen to them because it does not say they are disabled. Of course in the particular area that I represent—and I know that many other members in this House are in the same position—there really is not that much light work for people to do. You are limiting them in their terms of employment. Also, they are not really well enough to go to work. They will take work if they can get it, and they

suffer while at work, but when they apply for Canada pension the bottom line is that they need a clear-cut statement from their doctor that they are in fact in need of Canada pension and are disabled in medical terms.

I want to commend the Minister of National Health and Welfare today for bringing in this bill. Naturally there are other things that I would have liked to have seen in it, such as those amendments brought forward by the hon. member for Winnipeg North, one of my colleagues who has done a very good job in playing the role of opposition critic for Health and Welfare Canada.

The minister has brought this bill forward in a manner that is going to help the Canada pension fund to continue. As a former chairman of the public accounts committee of this House, I am very pleased to note in the bill that the funds in the Canada Pension Plan will be scrutinized by the Auditor General of Canada to ensure that the fund is sound. Of course this bill today goes a long way toward making that fund sound.

The $42 billion in it today will pay for the demands on the fund for the next two years. That is a massive payroll going out there in two years' time. However, if the increased contributions that will be requested of Canadians and employers are not included and not put into the fund at this time, there will only be six months of necessary funds left in the over-all fund of the Canada Pension Plan.

This plan is of great benefit to Canadians. It really is a safety net for many people. In my view this plan and medicare are two things that really have to be scrutinized and kept in good financial shape so that Canadians today and in the future can look forward to medical plans.

In the United States in a recent election someone campaigned on having a medicare program and turned around a 45 per cent public opinion vote deficit into a big plus and was elected in a landslide. One can understand that, because Americans do not have the fine programs that we have, such as the Canada Pension Plan and medicare.

I think there is a good rapport in this House of Commons for working toward this.

By bringing in this bill today which will increase the contributions to the Canada Pension Plan, it will mean that for years to come those people who are working today will pay into it, that the fund will be there 20 years from now for them. If those rates had not been increased and if the plan were not kept in good financial condition, they would not be able to gain those funds. This is really an insurance plan for Canadians. Hopefully everyone benefits from it at one stage or another.

The extended benefits to families is a very important part of the Canada Pension Plan. As we look at the plan there is a need to increase the payments for widows or widowers left with small children today.

For example, people under 35 years of age who loses a spouse can get benefits if they have dependants. In today's world with the one-parent family having to pay additional costs for bringing up those children in a good and responsible way, people need this additional assistance. It is very important that this bill addresses that fact and that more money be placed in the hands of people when they are going through a traumatic part of their life, when they have lost their life partner and when they have children to raise strictly on their own. It is not an easy thing to face. However, it does give such individuals some hope and some encouragement when they realize that the Canada Pension Plan is there to help them out.

It is very important that this Parliament follow through on that great work introduced in this House by the Hon. Judy LaMarsh, since deceased, a great contribution to Canadian politics.

Under the current contributions the amount would diminish to six months by the year 2001. I think I stated a while ago "in two years' time". If I did that is wrong. It should be that there would only be six months' benefits in the fund to pay out by the year 2001 instead of the present two years of $42 billion which are in there to pay for benefits.

It is very important that any of these funds be kept constant and in good shape. We hear a lot today about the non-viability of pension funds. We know that these funds are looked at by financial experts. If these plans are not viable then the contributions have to be increased. If we want these kinds of benefits to continue in Canada, which I am sure everyone does, then we will have to pay for them.

It does not come at an easy time because of the economy and because of people having lost their jobs. The only hope that we have is at least these people are paying into something that they or their families will benefit from eventually.

For the provision of increased benefits for the 170,000 children of deceased plan participants, benefit amounts will rise as of January 1992 to $148 per month from $113. Those are some of the trends about which I spoke that are very necessary.

Other people have gone into the details of this. I will not repeat them because it would only be repetition.

• (1310)

However, I do want to say that my colleague from Winnipeg North brought in some very good amendments to this legislation. I think that when he tackled the reasons for receiving disability benefits as being if a person was in severe physical condition or had a prolonged medical condition, the words "severe" and "prolonged" are pretty nebulous terms. How do we define them when it comes to deciding whether or not a person gets a pension?

We know that in the committee stage those two words were changed to "significant medical condition" or to "an extended medical handicap". Those two are sort of generalized terms and do not mean very much when we are trying to make a decision. He brought in an amendment of course to define that much better, along with several other amendments. I compliment him on that.

I want to say to the government that this bill is certainly due. I thank the government for bringing it in at this time. It is not very often in this House these days that we can get some legislation that really fits the Canadian mould and that we can come to a good sense of agreement on. While we in the Official Opposition had some amendments to make and they were not adopted, I do not compliment the minister on that. I think the bottom line of this legislation is such that it makes the Canada Pension Plan viable today and right on into the future. That certainly should be the aim of every member in this House.

In conclusion, I want to say that a lot of people over the years have contributed very good ideas to the Canada Pension Plan. A lot of them have come from John Q public out there, people who come into our offices and make suggestions. I suppose they sometimes feel those ideas never get passed on or they are just talking to their member. I think it is important to note that in the committee stage some of those ideas did come out.

I know that I have certainly talked from time to time to various ministers about ideas that have been put forward. I think that is very basic to any legislation in this House.

Mr. Speaker, I thank you for your patience. I hope after this legislation is in place that we will not stop there, that we will be looking forward to more timely amendments along the way. Perhaps some of the amendments that we proposed during the course of this debate will eventually get adopted.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I welcome the opportunity to make a few brief comments with respect to this piece of legislation.

The Canada Pension Plan is one of the most important pieces of legislation that we have in our statutes today. It is certainly a piece of legislation that is there as a result of the long-standing efforts of the New Democratic Party which has always been in the forefront of social welfare for Canadians, of pensions, and of looking after the average Canadian.

The amendments that have been brought in with respect to this bill are important amendments. They are certainly amendments that this caucus can support and that I can support. There are other aspects of this legislation that need some attention soon.

In my riding I have a number of constituents who have come to my office concerned about the permanent disability aspect of the Canada Pension Plan. The definition of permanent disability is an extremely rigid definition. It is unfortunate that many Canadians who I think all of us would agree deserve to receive such a pension

are simply not receiving one because the nature of it requires it to be permanent and longstanding.

I know there has been some discussion in this House about taking this matter back to committee to look at the ins and outs of this bill. I know there is a feeling on the part of a number of the members that the definition of the permanent disability aspect should be looked at to widen it and to include not only those who are permanently disabled but people who are disabled for a period of time and who may not be able to work for a period time and who are in a situation where they cannot work or are very limited in the work they can do.

As it stands now anyone who can do any type of work is prohibited from receiving a disability pension. That is an area that the New Democratic Party would like to see the minister and the health committee look at more closely.

The other aspect of the permanent disability part of the Canada Pension Plan has to do with time limits. To be eligible a person has to have worked two of the last three years or five of the last ten years.

Again I have situations in my own riding where people were injured ten years ago and only now do they realize they are permanently disabled and have made application. But because of the fact that they have not worked five years out of the last ten years, they are barred. That is unfair. There are situations where people who are disabled and unable to work have been trying to rehabilitate themselves and retrain themselves and have simply found that after an extended period of time and putting the effort into trying to make themselves gainfully employed again that it is simply impossible. They finally then turn to the Canada Pension Plan as a last resort only to find that the pension plan is no longer available to them.

That is unfair and that needs to be changed. It is unfortunate that was not addressed here.

I think the advantage of having the review of this bill and having this legislation before the House at this time is the fact that it has allowed members to highlight those points. I know there was a recommendation made by our health critic who indicated that he hoped there would be an extensive review of the Canada Pension Plan in committee so more recommendations would come forth. I hope that happens because people in my riding would appreciate a review of this legislation and would appreciate a more humanitarian approach to this legislation.

It is hoped that the Canada Pension Plan will stay in place as it is now and have the funds to afford to pay people who become deserving of the pension plan under all categories. Certainly the future of the fund and the contributions to the fund should be and need to be looked at very closely. Although there have been some changes there is still concern that in the future the Canada Pension Plan is going to be in some difficulty.

In closing, I would like to say that although this is a move in the right direction and is something we in the New Democratic caucus can support there is room for improvement, need for improvement and need for further discussion. Our caucus will be pushing very hard to have some of these items reviewed with the hope, the view and the desire that there will be further legislation introduced in this House to make the Canada Pension Plan a fairer and a more just plan for all Canadians.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I have a question for the hon. member who has just addressed this particular bill.

I understand that there were a number of organizations that came forward to the committee and expressed concerns with the bill in specific areas that they had concerns with. A couple of them that I would be interested in are specifically the concerns they had about the definition of disability. Even more important are the conditions of receiving benefits, specifically the retraining or education courses which have been disallowed. I think this should be a consideration of just about any bill that comes forward to us in this House.

• (1320)

I wonder if the hon. member could address these particular areas of concern.

Mr. Laporte: Mr. Speaker, I welcome the hon. member's question. Certainly he is aware that with respect to definition of permanent disability there has been a lot of concern and there is a need to revisit that definition to look at widening the definition of a permanent disability.

As it stands now, there are many people in this country who become injured and disabled who do not fit into this very rigid definition, yet we would all morally feel they

would be entitled to some pension under the Canada Pension Plan.

As the member knows, if a doctor says the person is available for light work, which is a fairly broad term, then that person is unable to receive a disability pension. Many times we have a situation where we have people who are struggling to maintain themselves and struggling through taking jobs which they had never been trained for and had never participated in in their entire life. They are forced to attempt to painfully employ themselves in some occupation simply to maintain themselves when we would all agree that the person should not be working and certainly should be under the Canada Pension Plan.

I know we all have cases like that. One of the things that is important has been mentioned by many groups and by my hon. friend and members of his caucus and our caucus. It is that we have to revisit the definition of permanent disability to widen it and make it fairer and more just.

As far as retraining goes, that is another area that should be looked at in the sense that there are a number of people who become disabled and may not be able to engage in their occupation but who still want to contribute to society. We have a duty I would suggest as legislators to do what we can to ensure that those people can be retrained for positions that are going to allow them to contribute and to feel good about themselves and to offer something to this country. That is another area that needs to be looked at very closely and needs to be revisited and revised.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, it gives me great pleasure this afternoon to enter into the debate on Bill C-39.

First of all I want to come at this from a somewhat different perspective. I want to deal with two major items in the time that I have. Before I do that, I want to just maybe outline to my constituents and to people who are watching what we are talking about here today, and that concerns the proposed changes to the Canada Pension Plan and its effect on our constituents.

It is well known to those of us in this place that the purpose of the changes to the Canada Pension Plan in essence is the intent to keep the plan on a sound financial footing. It is also to increase benefits for children. Then there are some minor amendments.

The major amendment is that the bill proposes an increase of $35 in benefits for dependent children of disabled and deceased contributors. This is a very admirable proposition. Obviously the main purpose—and it is well-known for those of us who are in committee dealing with C-39—is that in order for the position of this particular plan to be in a solvent situation, there have to be some increases in the premiums to Canadians simply because there was a miscalculation of just how many people would be paying into the plan. There was also a miscalculation of how many children, in the long term, in the 25 years of the program people would be having. Therefore, when they miscalculated, they had to revisit it every five years in order to put themselves back on a proper financial footing and back on track.

I say that just so people are aware that is the main reason why we are here today. Something else which is of importance to us all is there has to be some confirmation by the provinces that they approve of the amendments and the changes. That has also been done. The provinces unanimously have said that they approve of the changes to the plan and therefore everything is in place. After this bill has passed in this place, goes to the Senate, is approved and given Royal Assent the changes should be put in place by January 1, 1992.

One of the things in the committee that we dealt with was the difficulty that we are having with the plan as it is now. The issue of accessibility to CPP disability pensions was discussed at length. I want to tell you as a member of Parliament who deals with a lot of these issues on a day to day basis in my constituency it is a very frustrating issue to deal with in the sense that the definitions of the CPP have got to the point now where it does not reflect the realities of a modern Canada and of a modern world.

Because of those changes that are necessary to make this plan more accessible and make this plan more effective for all Canadians, we had hoped that during this process of the normal mandatory five-year review that they would also look at making those significant changes, for example in the definition of what is considered to be an appropriate definition of who is disabled and who is not.

The reason why I bring that to your attention today, Madam Speaker, is because we have on numerous occasions had difficulties in our constituencies with individuals who basically in a plan on the provincial side or in a private plan have had the ability to collect disability insurance. But on the Canadian side, which is the Canada disability plan, they do not meet the criteria in some instances. Therefore, it is not consistent with plans across the land.

It is very important for members of Parliament and very important for provincial members of provincial parliaments to try and put into place programs and planning that meet and go in the same direction. One of those areas is the fact that we do have the ability in the province of Ontario through workers' compensation to allow someone to collect a disability while at the same time go into rehabilitation or to indeed go into training while they are collecting. In our federal plan on the Canadian side of things, we do not have those abilities. So we are at loggerheads as to what our intent is and what our approach is and how we are trying to get some sort of training over a long period of time for the people that we consider to be disabled in this instance. They may have to go to a post-secondary institution and start all over again and take a four-year course. But during that process, they do not qualify to collect CPP because of the definition.

The definition of "disability" was discussed and mentioned at committee. I think it is important for us to read the definition. One of the first areas is what they classify as the two main tests under the CPP definition. One is "severe" and the other is "prolonged". Each test is taken separately based on the particular individual applicant.

• (1330)

A severe disability under CPP is defined as a disability which makes the person incapable regularly of pursuing any substantially gainful occupation. In essence that simply means in our plan in Canada that if someone wants to work somewhat part time, one day a week, sitting and watching as maybe a security guard at a department store, a very easy job as long as you do not have to chase the odd criminal, you could maybe do that as a disabled person or as someone who is incapacitated in a lot of other ways. That is something we should encourage.

We have to say to ourselves that we realize the amount of dollars we pay to disabled individuals are nowhere near enough to look after themselves in what is considered to be an appropriate manner. I think we should encourage people to go out and try to find part-time employment, even if it is one or two days a month, to get out and be active in the community and make a few dollars at the same time. I think we should encourage that. This definition severely restricts that.

The other part we thought we would discuss is prolonged. This means it is likely to be of long, continued and often indefinite duration or likely to result in death. Prolonged for me means any more than three or four months, six months or a year. That to me is prolonged in the sense of not being able to work. Because, as you well know, if you are not collecting any other forms of insurance you certainly cannot expect an individual to survive on no benefits at all for more than two or three months.

I think we should take a good look at that seriously to make sure we are not severely restricting those individuals who, as far as they are concerned at the moment they make their application, are incapable of doing the particular job they were doing and that somewhere down the line they will be able to improve on that. If we were serious about helping those who cannot help themselves in this land, we would make improvements to the definition as was mentioned by my colleague, the critic from our party, who has put in an amendment.

The first amendment basically suggests that we change the definition of severe and prolonged to significant and extended. Those substantial changes would give people the opportunity to make application in order that they can have some sort of income, because they are in essence disabled, and give them the opportunity to improve themselves somewhere down the line.

That brings me to the other issue that I think we missed the boat on in these amendments, and this is the opportunity under Bill C-39 to change the Canada Pension Plan. Bill C-39 should have dealt with something that we have been talking about in this House for many months. We are trying to focus the abilities of Canadians on retraining themselves. Under unemployment insurance we are now focusing more on UI, taking UI funds and putting them into training components in order for people to train themselves and to get accustomed to the fact that in a more global society it should

be accepted that they will have to be retrained two and three and four times in their lifetime.

On the one hand we are focusing on that regard with our training dollars under the Unemployment Insurance Act, but on the other hand we are suggesting to the disabled that if they have some sort of commitment in their own mind and do not want to continue to be on disability for the rest of their lives, they will not be able to take the opportunity and avail themselves of some sort of other education, some other training that will make them able to go back into the work force at a later date. That is completely contrary to what we talk about in this House.

In essence what we are suggesting to people is that once you get CPP then you better stay on it because the moment that you have any ambitions of trying to get off it and improve yourself, you will be removed from your benefits under this particular act. That is obviously the wrong message for the government to be sending.

In my constituency, as I said before, we deal with a lot of cases which are very frustrating in that applicants were not aware of the program, were not aware that they met the criteria of the program and were not aware that if they applied they would be eligible for CPP.

My colleague from Winnipeg North has put forward an amendment which would focus the government's attention on the fact that all Canadians should be aware of these kinds of programs. Simply because of the necessity of the credits that are involved in the CPP program, the longer they wait the more chance there is that they will not qualify. Therefore they will be left in a lot of cases, the senior population in this country, without any kind of benefits at all, without any kind of disability insurance.

I would think that the government and the communications networks in this country today could easily rectify that situation. That could be done very quickly. I would suggest to them that this is a good opportunity to send out the message to Canadians that we are open, above board and prepared to tell them exactly what these programs are, what the benefits are that they can receive. By doing so we would not run into the cases, as members of Parliament like myself and others are running into, of those who come into our offices and find out that they have missed the deadline, that they no longer qualify because the period for application has lapsed. It is a tragedy when someone comes into our office. We know they qualify. They were not made aware of the program but there is nothing, absolutely nothing that can be done. I would suggest to members opposite that small change would go a long way to improving this particular program.

There is another change that some members in this place have considered to be of a positive nature. I am not quite sure that is the case at all. For example, they are suggesting that the one-year appeal process at the first stage of the appeal be reduced from one year to three months.

In most cases that I have dealt with in my constituency these individuals are not even aware because of the lack of documentation of whether they will be able to appeal. They are still in the process in most instances of trying to get rehabilitation under the Workers' Compensation Board. They are still in the process of dealing with the belief in their own minds that they can still work, that they can still be productive individuals. They want to continue to make the kind of living they were accustomed to before the difficulties which caused them to come to their members of Parliament to apply for CPP.

There is one positive aspect of changing the one year to the three months. At the same time it was suggested under the act and with the changes the government is proposing that they could write to the minister and the department and ask for an extension. What will take place now because of this change from one year to three months is that we will as a normal course as members of Parliament ask for an extension the moment the person walks in the door. It is an indefinite period as far as the act is concerned, with these changes. Now the individuals will be protected as they go through the process of trying to find whether they can be rehabilitated under WBC or whether they can be retrained to do something else under a training program from the province of Ontario.

In the meantime they will ask their members to focus on making sure they still have the ability to appeal the whole process down the line if so necessary.

• (1340)

I do not know if people consider changing the one year to 90 days as an improvement. The government has said in its documents and communiques that this will speed up the process. However, I doubt that very much. When people do know about the program, if they are fortunate enough to know, the only reason they do not apply right off the bat is because they are not sure they are disabled yet and are still waiting to go through the whole process with their doctors, their employers and with the WCB. Once they are sure that they have complied with all those requirements then they will apply.

There was a legitimate reason for the previous government to have the one year figure in there. As far as I am concerned, it made a lot of good sense.

I want to wrap up my remarks by saying to my constituents that in essence the $35 that we are giving in benefits to the dependent children of disabled and deceased contributors moves the cost up when all is said and done, with the increases that are to be forthcoming because of inflation, to roughly $144 to $150 a month. Not a lot of money but I think it is an improvement.

I want to say to the government that I am very pleased to see that it has recognized the importance of giving more dollars toward looking after our children. I am also very much in favour of putting this particular plan in its entirety on a good, strong, financial footing. I want to suggest to my constituents that we are quickly coming to the realization that there will be three workers paying for one disabled person in the years to come. That is going to necessitate a continual increase in the premiums Canadians will have to pay to keep this particular program running as smoothly as we believe it should, because of its necessity to those who cannot look after themselves.

The disabled and all those other Canadians who do not have their own pensions necessitates some sort of social security system. In order for us as parliamentarians and taxpayers to pay for these programs, we have to make some sense of how they work.

As I have suggested in this place before, when provincial programs reduce the amount they contribute to an individual, the moment the federal House increases the amounts of dollars we are putting toward the individual's pension, it really resolves nothing.

We are asking in another amendment that has been put forward by my colleague from Winnipeg North that there be some sort of negotiated settlement between the provinces and the federal government to ensure that when, for example, we increase the $35 to dependent children the government of Ontario does not turn around and cut back a particular social program it has for those same children. That in essence leaves them getting exactly the same money before we stood up in this place and started debating this whole issue.

That is the sort of situation that frustrates many people and causes cynicism in this land with regard to politicians because it makes no sense at all.

I want to assure you that my constituents will be very well informed of this change, as I am accustomed to doing with all pieces of legislation that directly affect my constituents. I will let them know of the changes so that they will be able to make the appropriate changes in their own lives and will be able to better understand what all this means to them beginning January 1, 1992.

Be assured that we on this side are going to continue to look at the difficulties this plan has caused our constituents. It is because of them that we are standing here debating these changes. If we continue to get the kind of dialogue and openness that we have had from our constituents about the severe difficulties that are encountered when they try to deal with CPP, we will eventually come up with a program that will not leave people in the lurch, not leave people on the food bank lines. We will make sure that we look after our senior citizens and the disabled in this country in the way that we expected that we should look after them.

I appreciate the opportunity to make these comments today.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I am pleased to have the opportunity to speak this afternoon on this very important topic, the amendments to the Canada Pension Plan.

The Canada Pension Plan for me as a rural member of Parliament is probably, apart from unemployment insurance, the greater part of the workload of my constituency office. I would not say the more frustrating part of the

workload because no one can possibly match the mess caused by the immigration department, but that is a matter which we will discuss at some other time.

The Canada Pension Plan is something that does cause an enormous amount of activity in many constituency offices of members of Parliament, and more particularly in mine.

One of the most frustrating things that we deal with, as members, is the delays, particularly with Canada Pension Plan disability benefits. I think this is as good a time as any to put that on the record and to ensure that the ministers across the way, the large number of them listening to this important debate, will take note of it, as well as their parliamentary secretaries and other MPs who are listening.

For my part, I find it unacceptable that a constituent who would apply for Canada Pension Plan disability benefits must wait for months and months and months. Finally some eight or nine months later they will get a form letter informing him or her that the Canada Pension Plan benefits have been disallowed because the particular affliction is not severe and prolonged.

It is a form signed by some sort of a computer graphic affair that no one has seen and it takes the better part of a year to receive that refusal. Then the constituent appeals. They often visit the MP's office and we go through their initial application with them, when they have the initial application. This is another matter, as doctors fill those forms out and do not give a copy to their patients. If any doctors are out there listening, the biggest favour they can do for their patients is provide them with a copy of the application. Otherwise it has to be reconstructed *in absentia*.

In any case, several months later we try to discover where the application went wrong, many times of course without the benefit of the original application and without knowing what the doctor put in the bloody thing. How can one challenge what was said when one does not know what was said? Obviously one cannot do it very well.

Members ask the patient if they know what their doctor said and so on, refer them either back to the same doctor or to another doctor and say: "Get an updated medical opinion. Perhaps your situation has worsened since then" and so on. We get the second opinion, accompany it with a letter and send it off on behalf of the constituent. Then we wait. We wait six months, a year. Finally 18 months later the constituent gets a hearing. Of course the hearing is always months after that too. Then they go through this second exercise and sometimes they fail again, sometimes they succeed. I see the minister sitting across the way listening to this speech. He was Minister of National Health and Welfare for a good period of time. I remember writing to him on numerous occasions about constituents who had waited for long periods of time and never were able to get benefits from the Canada Pension Plan system.

• (1350)

There are also those cases of people who fall between the cracks. I asked my staff to send me a few examples of such cases. Of course I am not going to name the individuals because I did not seek their permission ahead of time. However, I do have an individual whose case I appealed for her and eventually lost. This particular case involved a woman whose husband had become severely handicapped to such a point that the husband could no longer live at home.

To make a long story short, this particular gentleman eventually passed away. When his wife tried to collect the survivor's benefits from Canada Pension Plan, she was refused. The refusal was on the basis that they were not married. That should not have made any difference. They were living together common law, had two children who were teenagers, and she was the only spouse of that particular person. In other words, there was not a competing claim on behalf of anyone else or anything like that.

The good people at Canada Pension Plan said: "At the time of the death you were not living together". That might have been true but that was because they were not in a condition to live together. One person had become severely handicapped and could no longer live at home. They said: "Well we are sorry, but if you were not married and you were not living together at the time of the death, you therefore do not qualify for benefits". That is a silly argument.

I fought this case and I lost. I lost even though in this particular case the name of the husband and wife was on cheques coming from the same department for child benefits. The baby bonus cheques had the name of both partners. In other words, Health and Welfare Canada said with the right hand: "Yes, you are the parents of these children. Yes, we recognize both of you as being spouses for the purpose of administering the family unit insofar as the child benefits are concerned". However on the other hand: "No, when the husband dies you are not

spouses in terms of receiving Canada Pension Plan benefits".

How does that make sense? The rationale given to us when we lost the case was simply that the wording was different, the definition of spouse under one act is not necessarily the same definition of spouse under the other act.

Madam Speaker, I do not know about you, but when I go home at night my wife does not seek to determine under which particular act we are spouses and under which we are not. We usually consider ourselves to be the same regardless of which legislation we happen to be discussing.

That is one problem with this legislation that perhaps has not been discussed extensively. There needs to be a clarification of a lot of the language, particularly as it involves the administration of various programs under the same government department, not only under the same government but under the same government department.

I have another case which I would like to bring to the attention of the House. This particular person is a gentleman who was self-employed for many years and eventually became disabled and could no longer be employed in any way, shape or form. Canada Pension Plan examined his case and said: "Yes, you are disabled. Yes, your disability is severe. Yes, your disability is prolonged. No, you are not going to get a pension". When asked why he was not going to get a pension, the gentleman said: "Canada Pension Plan said I have not contributed five of the last ten years". We looked at the situation. We looked at the income tax returns of the gentleman and he had contributed in all those years.

But, do you know what happened, Madam Speaker? The last year that he worked he only worked about two weeks in that year. Because the contributions he made, and he did make them, to the Canada Pension Plan were less than a particular amount the income tax department had refunded them to him. It was totally beyond his control. He had contributed the requisite number of years. He was disabled, severe, prolonged and all that good stuff, and was still unable to collect the benefits even though he had qualified and made all the right contributions.

Why? It was because Revenue Canada has given him his contributions back. Did he ask Revenue Canada to give those contributions back? No. Did he know he got the contributions back 11 years prior? Obviously not, but he had and he was disqualified.

That is another case of a person falling between the cracks. I know. I lost that one as well and I defended him personally. Those are only a few cases of how people fall between the cracks of a system like that, a very complicated bureaucracy.

I say this to the government across the way.

[*Translation*]

I am very glad that it has finally increased the benefits under the plan, but we should not pretend that raising these benefits solves all the problems, Madam Speaker, as our colleague from Winnipeg pointed out to us in several amendments he proposed. We should amend the bill some more. This does not mean that we in the Liberal Party are against the amendments presented by the government, but there must be more. I do not have to give a whole list; my colleague from Winnipeg has already done so. We would have liked the government to adopt many of the amendments we proposed. Unfortunately they did not, Madam Speaker, but I must still admit that the bill goes in the right direction.

[*English*]

I have a final concern about how the Canada Pension Plan works in its entirety. It is a worry I have and have had for some time as a former member of a legislative assembly of one of the provinces of this country, namely the province of Ontario. I cannot help but think that there is something not quite right when provinces can borrow money from the contributions of taxpayers for less than what the money is actually worth. In other words, they are borrowing that money at reduced interest rates to fund their provincial operations.

I see my colleague from Oshawa over here. He will remember our years in the legislature when we used to raise the issue there as well about how Canadians were contributing toward that plan. The provincial government would go into the plan, raid the coffers of it and borrow the money at subsidized rates and then never pay it back. There is a tremendous concern there. I would hope that members do raise that; perhaps not only in the context of this bill but otherwise. It is, as I say, something

that all of us in Parliament should think about very seriously.

If it was to be done over again, and I know this plan has been in existence for many years now, I wonder whether the wise thing to do would not have been to do something totally different. You could take those pools of funds within regions. You could not put this in one massive fund. There would be just too much money in it. It would be an amount that would be too large to be manageable. Within regions, perhaps provinces or even smaller units, we could have these pools of capital that could be invested in various businesses or other areas in order to yield a profit. That profit could be pooled together with the funds and then we could pay contributions to the people when of course they qualified to get them. I suppose that is water under the bridge. The system has been with us for some 25 years or so.

• (1400)

I come back to the concerns that I have expressed earlier. I want to indicate to the government that in addition to the amendments it has brought forward it should as well include either in this law or subsequent legislation amendments such at those that have been proposed by my colleague from Winnipeg. It also needs to co-ordinate the procedures within the department in order to shorten those delays which are totally unreasonable at the present moment.

We are talking in this bill about shortening the period of time that an individual has before he or she can launch an appeal. There is nothing in the bill that says that the government must respond within a certain number of days and if it does not there is a deemed benefit on the part of the individual. If the onus is applied to the individual taxpayer maybe the government should also be subject to it as well. That would light a fire under the chairs of whoever is responsible for some of these delays.

We need to ensure that we take all those pieces of legislation that have definitions or are outright silly or even different in the way that I have described with this one case about this woman who was the spouse of an individual. She had raised the family of this individual who had been ill for most of the life of the children they had had together. But because he was living in an institution at the time of death they could not draw benefits because they were not living together and they were unmarried at the time that he died. These kinds of rules, particularly when the rules are different within the same department, have to be wrong. I could even say asinine. That is probably more the expression that comes to mind.

[*Translation*]

So, Madam Speaker, I too was pleased to take part in this debate this afternoon. With my colleagues, I again tell the government that it should have listened to the advice of the hon. member for Winnipeg North, who of course wanted to offer many amendments to improve this modification that the government has before us today.

[*English*]

Ms. Ethel Blondin (Western Arctic): Madam Speaker, I am honoured to rise in the House today to speak to Bill C-39, an act to amend the Canada Pension Plan, the Family Allowances Act and the Old Age Security Act.

I come from a part of the country where the impact on every member of our community, on every family member, is very pervasive. It hits everyone in the community and in the family. This particular legislation is very important and touches the lives of many people.

It is most unfortunate that the amendments sought were defeated and were disallowed. This would have enhanced the legislation significantly and would have accommodated many of the concerns raised by witnesses who appeared before committees of the House of Commons. These witnesses came forward and put a human face to the problems that are experienced because legislation is regressive and perhaps not as helpful as it would be had these particular amendments gone forward. Motion No. 2 was disallowed. It asked that Bill C-39 be amended to strike down the deadline for the filing of applications irrespective of the mental capacity of the patient. It would have enhanced the lot of many individuals who have major concerns across this country.

We have to commend the members from Winnipeg North and Hamilton Mountain for their work on this legislation, as well as the government for this important bill. I want to address the bill from a slightly different direction, in my case as it affects seniors in the north, as it affects women in the north and the benefits to which they are entitled, as it affects the whole issue of poverty in the north and as it affects those northerners who are disabled.

The three most serious issues facing seniors in the Northwest Territories have to do with adequate housing, with the low fixed incomes and basically perhaps the abuse of elders. This is not by all individuals but it is a specific problem which I think needs attention and which is being expressed by that particular constituency.

The north faces many challenges today. One of the most serious is how we can ensure that our seniors in the north are taken care of at a time when the federal government is withdrawing financial commitments to its share of social and health programs. It is a fact that over the last week there has been publicity in the north that the government is withholding $50 million in transfer payments from the territorial government that would go toward health care programs. This has a direct impact on the elders, the people who are most vulnerable and need this assistance, and the people who would benefit greatly from the particular resources that are being withheld.

I have to say that I had the opportunity in the past to work with many of our senior citizens. In working with the senior citizens and with a group of other people at the grass roots level, I had an opportunity a number of years ago to work with 38 senior citizens and numerous others to help assist in putting down their stories about their lives. It is a real tribute to have worked with a couple of people, one by the name of Margaret Thom and another by the name of Tessa MacIntosh, on elders in the north in a book called *Nahecho Keh* which we produced. It expresses all of the concerns that the elders have in terms of their lives and the struggles that they endure. We produced that book because we believed that our elders reflect through their infinite wisdom what values and principles are important for our survival in modern day society.

Housing is the number one issue facing seniors in the Northwest Territories. How does any kind of legislation relate to housing when you are on a fixed income and when you have a lot of encumbrances in terms of trying to achieve any gains you would make through getting your pension and you have all of these obstacles in front of you? One of the problems you would find difficulty with is if you do not have money for housing on fixed incomes. It is very expensive in the north. It should be noted that housing is also the number one health priority, a basic right taken for granted by most Canadians.

I am especially pleased to be talking about the issues related to health because it happens that people responsible for mental health are meeting in Ottawa to discuss this serious issue over the past week. Yesterday I met with our representative, Barbara Hood Hall, about the serious mental health problems in the north. Mental health is our number one health problem. As I mentioned earlier one of the causes of this illness like other illnesses in the north is poor housing. It is not unusual to have as many as 16 people living in a poorly ventilated, substandard home. The chronic housing shortage is a major obstacle to combating infectious diseases which plague many of our elders, particularly tuberculosis and respiratory infections.

A priority for the seniors in the north is the requirement for facilities in the communities with individual accommodations. There are some senior citizens homes in the north in communities like Fort McPherson, Aklavik, Inuvik, in the Mackenzie Delta region particularly, in Fort Rae, Fort Providence and Yellowknife.

• (1410)

There are 23 other communities where these facilities are still required, so housing and accommodation is definitely a problem for these senior citizens. Many seniors are living in public housing and are required to pay at least $150 rent, not including utilities.

The problem with this situation is that 85 per cent of the seniors in the north are on fixed incomes. The average fixed income for seniors in the north with old age security, the guaranteed income supplement and territorial supplement is only $850 a month. This monthly income is for residents living in communities where the cost of living is 30 to 60 per cent higher than the cost

of living in southern centres such as Edmonton, for instance. This means that the majority of senior citizens in Canada's north live below the poverty line.

For the most part, disabled people in the north who are affected by this bill, like the senior citizens in the north, face a greater risk of poverty than others because of unequal opportunities, discrimination, lack of recognition for the work they do, higher living costs and inadequate income support.

Many senior citizens are solely dependent on their pension plans and the money they get from their pensions through work because many of them share their moneys with the people who live in their family as a result of the extended family situation. They share their incomes with their sons and daughters, their grandchildren and other relatives. This is not an income to support one individual or two but, in a situation where there is high unemployment, to supplement the whole family's well-being.

The whole issue of poverty is another one that is felt because of the impact of this legislation not being so amended. The anti-poverty organization has identified one in four Canadians over 65 years of age as living below the poverty line. The risk of poverty is greater for women over 65 years who live alone or with non-relatives. Over 50 per cent of these women live in poverty, compared to 23.9 per cent of men. People who have contributed to the building of this country, who have put most of their life's work into building communities and sustaining families for the betterment of our community deserve much better than this. No one should have to live below the poverty line, but that is not the reality of our country.

I would also like to add that census figures show that while two out of five Canadians who had incomes in 1985 received less than $10,000 the percentage is much higher for northern Canadians, for disabled people, for aboriginal people including Métis and on-reserve Indians—almost 55 per cent.

Northerners, and particularly seniors, can testify that income is shared very unequally in Canada. In the 1990s our elders, our senior citizens, do not choose poverty. It is imposed on them. Similar to that of Canadian children who live in poverty, I personally believe that it is the most horrendous issue in Canada today. The homeless and the hungry are a legacy of this country that we cannot afford when we have a reputation in the world of being one of the best countries to live in. The elders and the children of the poor are the most helpless victims in existence, and for me it is a national shame.

Not only are our elders victims of poverty but increasingly there is another problem. It is very difficult, controversial, and provocative to speak of it but more senior citizens are victims of abuse. I am talking about physical abuse, neglect, financial exploitation and psychological abuse. Our elders, our senior citizens, are being abused because they are vulnerable, primarily through their age. Elder abuse has probably taken place all through history but finally it is getting public attention. Like people who are disabled, seniors are abused because they have to depend on others to provide them with care. They are not only being abused by members of their family but they are susceptible to violence by neighbours, care givers, strangers and relatives. It is indeed a difficult subject to speak of. It is one that we would not believe but it is a fact that it exists. Statistics suggest that family violence, including that against elders, is more prevalent in aboriginal communities than in other communities. It is not a statistic that I, as an aboriginal person, like to quote but it is indeed a fact.

Knowing the issues facing seniors, disabled people and aboriginal Canadians, it is our utmost responsibility to provide the financial support for the programs and services that will benefit these important but vulnerable members of our society.

I want to conclude by paying tribute to all those care givers in the north, the employees or family members who are providing essential care for our senior citizens.

I would like to tell the members of the House that there are two seniors from Yellowknife who have given their entire life to look after others: those who are homeless, those who are poor and needed to get out of the cold. It is not desirable to be out and homeless in the north at 40 below. It is indeed a sad thing.

Ruth and Gordon Bailey opened their home in Yellowknife for years to strangers and friends who needed care. Now Mrs. Bailey is suffering from poor health and they have moved to another community, but they are still active in the church and community programs. If we were all as committed to enhancing the quality of life as

the Baileys have been, we would have a nicer and safer country.

It is incumbent upon us, as lawmakers, to ensure in whatever way we can that we create the best legislation for the people that need our help the most.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, I am very pleased to have the opportunity to speak on Bill C–39. I think it is a very important bill.

As we study and look at this bill we realize the significance of this bill, particularly that of the Canada Pension Plan and the other benefits we have in this country.

This is an act to amend the Canada Pension Plan, the Family Allowances Act and the Old Age Security Act, primarily with concern to increasing the contributions so that the fund will be sufficient. I think that we may lose sight of some of the things that really need to be done.

I want to thank my colleagues, the members for Hamilton Mountain and Winnipeg North, who have done a great deal of work on this. Not only have they done a lot of work but they are very compassionate people. Therefore, the work they have done has been very relevant. It reflects what we in this party want to get across with respect to the importance of this legislation and the importance that the people in this country are placing on this legislation.

Certainly the most important aspect today, as far as I am concerned, is the Canada Pension Plan disability. It is the one that Canadians seem to know the least about, mainly because if we are talking about the Canada Pension Plan it is generally well known that you receive it when you are 65, or if you qualify you can receive it at 60 with a reduced amount, there are also survivor's benefits and various other aspects of it. People are also familiar with the very important old age security and also with the augmentation and with the capital cost allowance.

I would say that the one that people know the least about is the Canada Pension Disability Program. That is because most Canadians have been blessed with good health. They have been able to carry out their employment without the necessity of having to worry about the future, without the feeling that at some point soon they are going to have to cease work.

Of course, this does not take into consideration the ones that lose employment because they are laid off, because there are plant closures or because they are in areas of this country which are economically depressed. I am talking about the ones that have jobs they think will continue but because of health problems they are unable to continue their employment. This is a very tragic situation because I do not think, regardless of what anyone says, that a person wants to give up his or her employment. It is a very important part of not only their income and their every day schedule but of their dignity.

• (1420)

To be able to work and have gainful employment is a major factor in the profile and attitude of Canadians. When one has to give up this job, it is a very traumatic time.

I know because in my area the unemployment rate is approximately 35 per cent. The employment basically is heavy industrial. It is mainly coal mining and steel making. There are a lot of industrial accidents in which people are injured, sometimes at a very young age, and unable to carry on their employment.

Had this Canada Pension Disability Program not existed there would not be an income for them and their families. I do not know how my area would survive even to the extent it has at the present time.

I want to ask the government to try to imagine the ramifications of this program and the good that it does, to try to imagine the people who benefit from it and the regions of this country that are benefiting from it.

As well, I want to say to those that look at public servants as people who are uncaring and who disregard the needs of others that frankly the experience I have had with the public servants in the Pension Benefits Section, and particularly Canada Pension Disability, has been excellent. I found them to be a very caring, very efficient group of people.

When they are here in Ottawa, with jobs and good health, one would expect that there may be a tendency to forget those that are having health problems and are unable to work, that there would be a tendency to say: "Well, this person is not that badly hurt" or "That person is not that sick, I think they are really elaborating on the health difficulties that they have".

Although you may get some of that, most of their concerns are of a very caring nature. They are to be commended for the work they have done.

That being the case, what they are doing with this program is the best they can with the program as it now exists. There are problems with this program that frankly should be addressed. The member for Winnipeg North has mentioned a few of them. In fact, he and the member for Hamilton Mountain proposed certain amendments at report stage which were defeated.

That is unfortunate because I think those amendments were very worth-while amendments and could have added a lot to this program.

In one he mentions that in most cases, the standard procedure in turning down somebody for Canada pension disability is to say that their injury or sickness is not severe and prolonged. That is a very nebulous statement. As the members for Hamilton Mountain and Winnipeg North have asked: "How do you determine what is severe and what is prolonged?" It is extremely difficult to do because it is a subjective test determined by those that are judging the person.

If the person is in my riding, they are on Cape Breton Island and the people doing the judging are here in Ottawa and have not seen the person. Certainly, if the applicant is turned down in appeals and is turned down a second time, then on the third time around the applicant is examined by the doctor of the government, in which case the people here in Ottawa have a common denominator.

The problem then is that probably over a year has gone by and the applicant has no income with which to support himself or herself or his or her family. It really depends on this objective test. In that case I feel that the public servants here in Ottawa have been basically fair. I know that it is not entirely their determination because we do not have a definition of what is severe and prolonged. The problem now is that the tendency to say "severe" and "prolonged" is something that is going to actually be an incapacitation for an ever longer period of time, and that "severe" is a sickness or an injury which can be in some cases that the person is not able to move.

Along with the statement that the injury must be severe and prolonged one gets in one's rejection letter from the federal government the statement that this person is capable of doing light work. That is awfully difficult to take for some person who has a back problem who cannot even sit down and they cannot stand for long periods of time. To say that light work is going to be able to help or that they would be able to do light work is really not being fair to the applicant. I think this approach has got to be changed considerably.

Furthermore, in areas of high unemployment, where are you going to find any kind of work, let alone light work? As you know, Madam Speaker, in companies where there are jobs that are perhaps not too onerous, there are a lot of older workers who perhaps have a minor disability or a minor health problem who are given some of these jobs. For those who really have a major disability or a major health problem, there are no jobs. They cannot after they are 35 today go and apply for another job because they are considered to be too old. There are no jobs for them in other industries, that is if there are jobs that exist which in many parts of this country there are not.

I think that attitude about having to look at the person as being able to carry on light work is something which is very unfair. It puts the applicant in a position of feeling that the government feels that they are trying to put one over on them. I think that is unfair. It only adds to the mental problem that a person has when they come to grips with the fact that they have to apply for Canada pension disability.

Our party has defined what is severe as stating it is a person unable to do his or her usual type of job without mental or physical strain and preventing the person from fully discharging duties of that job as determined by a licensed medical doctor. We define "prolonged" as being three months or more of continued disability. I think these would be major improvements if they would be adopted by the government.

It would also downplay this belief that they could do a type of light work which in most cases they cannot, even if they could get the employment.

Suppose a person receives the Canada Pension Plan disability benefit. It may be after a year, it may be after two years if they have to go through two appeals and are examined by the doctor of the federal government. It may take two years. In this case they receive a cheque which goes back four months from the time they first applied. In the meantime they may not have had any income at all unless they were obtaining assistance from

welfare. That being the case, they are in a very difficult financial position.

I think there has to be some way of making it easier for the applicants to have some funding. I think this should be discussed with the provinces to allow for community services to perhaps be a little more lenient with these applicants while they are waiting.

It is not a risk to the federal government because if the person is successful in getting Canada pension disability, the province has a claim on the amount that they have paid in community benefits while the person was waiting. The province is reimbursed and the federal government does not have to pay any more. It does allow the applicant to have something in the meantime. This could be a long period of time without significant funding.

• (1430)

The other thing is that when the applicant is successful and is paid, of course the province is always there to make sure it gets its money back. If the federal government decides it wants to increase the amount it is going to pay the Canada pension disability recipients then the provinces decide that they are going to reduce what they are paying.

Consider the person who is on disability, is married, has children and the Canada pension disability is not going to be satisfactory to look after his needs. He is getting some assistance from the province but as the amount the federal government pays is increased, the province in turn reduces its assistance by the same amount. Therefore, the person cannot get ahead.

I would ask the federal government and the provinces to get together on this question so that when an increase is given the applicant gets the benefit of this increase.

I would also like to say that we must not forget families. Quite often when the applicant is on disability there are family members who are affected as well. Usually they are wives and children who must try to make do with the smaller amount the family will be receiving after the Canada pension disability locks in.

In the meantime there are the aspirations of the young people who want to attend university and to improve themselves. I do not think we can say that is not an important aspect. If we want our young people to be well trained and if the government is sincere about a higher degree of education and preparedness for jobs in this country, then we have to look toward the sons and daughters of these recipients of Canada pension disability. We must make sure that these sons and daughters are not punished by the fact that their father or mother or sometimes even both through their diligent work and strong work ethic have become injured on the job. They find that their children are not able to receive sufficient education after that has occurred. I think there has to be some attention paid to that.

The plan says one has got to be able to do light work and that one can do light work. But it is not ready to allow the recipient to take further training or education to be able to upgrade himself or herself should the occasion allow it. This may happen even if it is an area in which they get this training and they can do this work without having to take Canada pension disability. If that is the case then the government is just defeating not only the purpose of the program and it is actually costing it more money, but it is taking away the opportunity of the individual.

I would hope that the government would look more favourably upon the recommendation of the members for Winnipeg North and Hamilton Mountain when they say that the applicant should be allowed to take training and to receive Canada pension disability until that training is finished and for a reasonable period thereafter to allow the recipient to be able to obtain employment. I think that is very reasonable and it would be helpful to all involved.

Canada pension disability may be the sole means of support for a family. Quite often when economic conditions become difficult it causes a great deal of stress on the marriage. Quite often there will be a marriage breakup, which is always very unfortunate. But wives do not know that they have rights and that they can be looked after. More and more women are realizing that they do not have to just be left penniless and that they can have some financial assistance. Unfortunately, under the Canada Pension Disability Program, their rights do not extend very far.

I would like to support what has already been recommended by this party in that the spouses on marriage breakup be able to be the beneficiaries of automatic splitting of the Canada pension disability benefits. That is if two people are separated or divorced, the wife has an

automatic right to a certain percentage of that Canada pension disability.

Quite often the wife does not know that she has that right and many months and perhaps even years may go by before she realizes that the right exists. I think it should be retroactive and there should be a conscious program to make sure these women have the right to the automatic splitting of the benefits and that they are made aware of the rights they do have.

If we are going to do that and we are going to be fair then this is something we should work toward.

I think we have to look at this as a program that is going to become more and more important. We have an unacceptably high unemployment rate today. We have a lot of people who have worked very hard all their lives in jobs that have been very stressful and injurious to their health and who have received very serious injuries. We have young people who are looking for jobs who cannot get employment. I think that we have to take a very realistic approach to those who have suffered injuries. Instead of having them go through hoops to prove they do have a disability which warrants this kind of assistance from the program, we should be more receptive to giving them assistance. If they are on the program and a job is made available, then that job is made available for a younger person who is maybe just recently married and has a family and a mortgage and needs a job very, very badly.

I think we have to look very compassionately at this program and what it can do for Canadians. I would hope that the government will not try to squeeze this program because this program is one of the few sources of income that low income Canadians have. It is one of the few means with which low income Canadians can maintain themselves and their dignity in these times of decreasing employment opportunities, cutbacks in spending on housing and reduced unemployment insurance pay periods. We have got to maintain the dignity of Canadians and the opportunity for Canadians to have an income.

This is a very important program. When a person goes through this kind of stress of losing their employment through injury or mental distress then that in itself is a problem. We should not at the same time ask them to bend and to try to move heaven and earth to get the assistance under this program. I would hope that the government would be cognizant of what is going on out there and would be sympathetic and realize that this program is becoming, if it is not already, one of the most important social benefit programs that exists in our country.

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, I listened with considerable interest to my colleague from Cape Breton—The Sydneys and found his remarks to be rather appropriate indeed.

However, I wonder if I could make a few comments and then at the conclusion put a question to my colleague.

The member for Cape Breton—The Sydneys has served his constituency with great distinction for I think almost 13 years now. He is probably as well aware as those of us who represent constituencies in the various parts of this country. I am sure in that timeframe he has been made aware of numerous cases of individuals who have made application for Canada pension disability benefits and/or for Canada pension generally and that the timeframe which government has taken to process those claims has been inordinate. I am wondering if he has encountered the same kinds of cases that I have encountered. My constituency is geographically next to the hon. member's constituency. I find in my own riding that a number of applicants who are making these claims of the Government of Canada are having to wait in some instances three, six, nine, twelve, fifteen and eighteen months before there is a final adjudication as to whether or not there are any benefits which will be flowing the applicants. Thereafter the claimant has the appeal process, and that again will add another minimum of six months on his or her claim. I am wondering if the hon. member could respond to that question, whether or not he finds an inordinate amount of time in the processing of claimants.

• (1440)

Second, I am wondering, since the hon. member is the justice critic for the Liberal Party and a very able one at that, if he could perhaps give some consideration to whether or not due process is in fact being served when Canadians have to wait for such an inordinate amount of

time to get a decision, presumably and preferably a positive decision as opposed to a negative decision.

I am thinking, for instance, of the principles of natural justice. How in the name of God can the Government of Canada make an adjudication on a claimant from Hamilton, Ontario when the claimant is not before the officials in Ottawa who are making that particular claim? I am wondering if perhaps the hon. member could give some thought to that.

Finally, my comment and question, which will be my third question, is about a concern I have when the Government of Canada increases benefits, and we will say a disability claimant. Let us say they reside in his constituency of Cape Breton—The Sydneys or mine of Cape Breton—East Richmond. It has been the practice under the government of the former premier, Mr. Buchanan, and certainly under the practice and under the leadership of Don Cameron, the Premier of Nova Scotia, that when benefits are given from Ottawa they taketh away in Nova Scotia.

We in the Parliament of Canada provide a benefit to the recipient only to find at the end of the day when the cheque is mailed to the recipient the provincial government comes in with a big claw and takes it. The benefit which is bestowed upon the recipient is a mere fraction of a cent, thereby precluding the individual of that benefit.

As the hon. member will want to attest to, we are not talking here about large sums of money, but the money which is going to the recipient is indeed large. I gave an example yesterday—and I am sure the Chair has read *Hansard* and has followed the debate very carefully—of the $45 a month or the $36 a month which works out to in excess of $400 a year which can pay the fuel bill, which can pay for clothes for children, for milk and bread, the necessities of life.

I find it unbelievable and unreasonable that the Government of Canada is not making certain that provincial governments are allowing that benefit to go forward, thereby not precluding the recipients of the benefit in its totality. Second, they are not expediting those claims which everyone knows are taking an inordinate amount of time.

With your permission, Madam Speaker, I would like to hear some responses from the hon. member who has served in this Chamber, is a very distinguished justice critic for the Liberal Party of Canada, and has great experience as it relates to Canada pension and the various claimants who have made claims under that particular piece of legislation.

Mr. MacLellan: Madam Speaker, I would also like to thank my colleague, the member for Cape Breton—East Richmond, for the questions that he has brought forward. They are very important questions indeed, questions with which he has been confronted in his role as member of Parliament in that constituency, which like my own is unfortunately a constituency with a higher rate of unemployment than either one of us would like.

I want to address again the third point he made, that is that the province takes away the increase which the federal government puts on Canada pension disability from any assistance it gives. The federal government has said that it is going to look into this and it has said in the past that it would look into it. Still the process continues. It is very deflating for families with Canada pension disability and the assistance from the province not to see that increase when prices have been going up and costs have been going up. How are they supposed to be able to make ends meet? We have been asking that for a considerable period of time, but it seems that the governments will not come together and deal with it. I think the federal government has to try harder to get the provinces to agree on allowing that augmentation of the benefits to go through.

Also as my colleague has said, and rightly so, this is an infringement on the rights of natural justice and the rights of an individual to be able to support his or her family in this day and age. What we are seeing, frankly, is a terrible tendency that government is accepting that it is right to have two levels of Canadians. If you are healthy and you have a job, great, you are going to be all right. You work and you pay taxes. If you are unemployed, if you are disabled and cannot work, then that is tough. You drew the short straw. We will make sure the roof does not fall in on your head or we will keep you in bare essentials, but that is all we are prepared to do.

I do not think that is right. None of these people asked to become disabled. None of these people asked to have these health problems. In most cases they have been soldiering on in the job for a good period of time with this discomfort and this disability, just absolutely reluctant to the nth degree to go on this kind of assistance because they feel that it is embarrassing for them. They feel that they are just not the same person if they cannot have a job. Of course they look upon the funding they are going to get which in practically all cases would be

well below what they would make when they were employed.

I want to go particularly to the first point the hon. member made respecting the process. I do not put a lot of blame on the public servants *per se.* I think it is the government that is really shortchanging the process in that if you apply for Canada pension disability it will tell you: "Don't expect to receive any word for four months". That is the starting point now. Four months is the time it takes for your file to get to the top. It evidently is a result of the fact that there are more people needed in dealing with this.

If you are unsuccessful you are told that perhaps your injuries are not prolonged or severe enough in nature, which is very subjective to say the least, and that you should try for light work that just does not exist in the hon. member's riding and in my riding. Then you go into an appeal process which will take probably another six months and, as my hon. friend said, it could take up to two years if you are turned down that second time before you go to the second appeal which would be the third level. At that point you are then told that you have to be examined by a doctor who would be a representative of the federal government.

In our area of Cape Breton the doctors that the people there have to visit are mostly in Halifax.

• (1450)

They have to get on a bus or a plane or get a drive and go to Halifax to be examined, at great inconvenience. They cannot go by train any more. That is gone. Perhaps in two years they are told whether their final request has been successful or not.

It is just not as good as it should be. The program is an excellent one, but the delivery is not efficient to the extent it should be. It is not in keeping with the dignity and the needs of Canadians.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, one of the advantages—and there are many of course—of coming near the end of a long parliamentary debate is that you have an opportunity to listen to the words of your colleagues. We are often told that Parliament is becoming irrelevant to the governing of Canada. I would argue strenuously with that assertion, having had the opportunity over the last several days to listen to the comments made by members of both sides of the House as they dealt with a very fundamental issue that everybody across this country regardless of what region you live in understands, and that is the need to have some sense of security as one gets into an older age and when one faces the sudden prospect of disability.

It has been for me a real learning experience listening to the experiences of constituents of Cape Breton, the constituents of the member from Saskatchewan. They were all talking about their kinds of difficulties and citing the problems faced by people in their own areas.

I only hope that this debate will be listened to. I only hope that we will understand this bill, which is what I call a fix-it bill, necessary to fix some clear problems that were appearing, particularly in the underfinancing of the Canada Pension Plan, has really through the dynamics of this debate generated a quite different perception and quite different understanding of what is going on.

If there is anything that should be taken from this debate, it is not so much the details of the particular bill or piece of legislation. It is that it has given an opportunity to open a window on the much broader range of anxieties and concerns about the level of the Canada Pension Plan.

It goes back to one fundamental issue. When the CPP was brought in there was a premise made, an assumption made, that there would be a much broader private coverage than in fact has occurred and that the CPP would almost be a supplementary benefit to the extensive network of private coverage. In fact the opposite has happened. We have not had the evolution of a broad based private pension plan system. There are pension plans there, but of course many of them are being eroded. As we go through this extended recession it happens even more frequently that pension benefits are being cut back and companies are moving.

I had a case in my riding just a few weeks ago. A gentleman lost his pension benefits because the company picked up its bags, moved south, and there was no obligation for it to continue paying benefits.

There is serious undermining going on in the private pension field, which puts even more serious responsibilities on the public sponsored pension system.

I simply want to use this opportunity to draw the attention of members and hopefully of the government or a future government to the fact that the reform of the pension plan system has to go beyond just tinkering, fixing some immediate problems. We may have to come to grips with a level of pension benefits that will be available as each generation of Canadians reaches retirement age.

I have between 18,000 and 20,000 constituents who make less than $25,000 a year. If we use today's calculations by the National Advisory Council on Welfare, their pension benefits plus their old age and the old age supplement would still put them below the poverty line. There is not sufficient build-up of a pension benefit to the CPP and the old age security to ensure that they can look forward to their retirement with some sense of security. That is particularly a problem in the larger cities like Winnipeg or Toronto or Vancouver where costs are so much higher.

I would suggest that the problem is that we should be projecting the profile of what our Canadian population will look like 10, 15, 20 years down the road and designing our CPP to meet that problem so that future legislators will not have to scramble to face a much broader problem of large scale insecurity because we at the present time did not exercise our responsibility of stewardship to make sure that there would be enough of a benefit base to satisfy those needs.

Similarly I find it also of concern that the number of real problems that have been identified in the implementation and administration of the Canada Pension Plan are not being fully addressed in this bill.

The member from Cape Breton who just spoke detailed very clearly problems of delay, problems of adjudication, problems of getting proper processing of pension benefits and in many cases being caught with all kinds of inconsistencies.

I will give an example from my own riding, if members will bear with me. I had a very strong and I think eloquent statement by Mr. Gerald Kelly. He pointed out that for reasons totally beyond his responsibility he had to take early retirement on a government employment pension. He had a tax liability of $8,000 at the time of his retirement. No effort of his, of mine or anyone else's was able to get the government minister to move on it.

We are finding the situation where people are let go at their employment for reasons of cutbacks, stringencies and the belt tightening that is going on. They expect to get their benefits, but because of the nature of their pay-out they now must assume a lump sum payment. In the case of Mr. Kelly it was almost $8,000. It is an enormous penalty to have to pay, because of someone else's decision that you are no longer a useful member of the work force.

That is not fair. It is something that could have been fixed as part of this over-all pension area or maybe it could be included when we look at the question of Public Service pensions. The fact of the matter is there are people hurting out there as a result of the regulations and the administrative procedures that have been set up that penalize people like Mr. Kelly.

Let me give another case history of Mr. Carleton from Kenniston Boulevard who has been a member of the armed forces for many years. He discovered on remarriage after the death of his first spouse that survivor benefits were no longer made eligible for him. Once again a citizen who has been paying into the CPP honestly over the years finds out that his family no longer has the protection it has the right to expect. Again there were all kinds of representations, all kinds of pleas, all kinds of adjudication, and once again a stone wall with no ability to make any changes in that kind of case.

By the way, I received probably one of the longest letters on record from the President of the Treasury Board trying to explain his way out. What I find hard to accept is that we will go to so much effort to find a tortuous answer as opposed to solving the problem of that individual.

I found it interesting to listen to the comments of our House leader in this debate yesterday when he spoke at the beginning of third reading. He talked about the fact that many of these things are easy to fix, if there was a certain flexibility of mind, if we were prepared to take the administrative problems and just face up to them as opposed to defending them. As he said, it is no wonder people get discouraged about government sometimes

when they get caught in this kind of administrative sea wall and no one is prepared to give them a helping hand.

• (1500)

Another interesting case has just come to my attention. It concerns a gentleman who wants to make contributions to a United Kingdom retirement plan so he can draw on it when he is retired at the age of 65. However, he is not allowed to take any tax deductibility for it. As he properly points out, he will get the full benefit and will not be a burden to Canadian society if he is allowed to make those extra payments for the next 10 years or so. Again the Minister of Finance says: "There is nothing I can do about it". Of course there are things he can do about it. To use that as an excuse is simply not acceptable. There are many things he could do about it if he wanted to.

I have a file full of cases but I will just use three or four examples to point out that there is a real need, and the debate has shown this clearly, for a much broader pension reform in this country, to deal with the broad issue of the sufficiency of the pension benefit itself as our population becomes older. It is necessary to take a hard and clear look to tackle that problem in an effective way. At the same time but on a different level, it is equally as important to deal with all these twists and turns in which people get caught in dealing with their fundamental problems of security.

Therefore, we have to use this debate as the opportunity to make that case. I can think of perhaps no greater contribution this Parliament can make to the people of Canada than to give them a degree of assurance about their security.

A few nights ago I had dinner with an old acquaintance who is a senior ad executive. I was asking him questions about how his own business was being affected by the recession and by what is going on. He gave what I thought was an interesting answer and it is pertinent to this debate. He said: "The problem is that people are so insecure that they are not going to purchase, that they are not going to be making a commitment to the future when they know that in some capricious way they are going to be laid off, lose their job, be on the cut-off roll, find themselves with a benefit cut away".

I do not think members opposite realize what the cumulative effect of their eight year attack upon the social contracts of this country has really been. I do not think they fully comprehend the way in which it has changed people's perception of themselves and their role in society. We have spent a lot of years trying to build up a certain safety net, a social contract in which the fundamental psychology of security could be there so that people could become entrepreneurs, could become innovative, could take chances, could take risks, could invest, could feel that they have a real stake in this society. However, every time there is a claw-back, every time there is a cut-back, every time you niggle away at one or another of these benefits—transfer payments, children's benefits, family allowances—every time you attack it you are creating one more erosion in that sense of security, another sense of not knowing what the next day will bring.

That leads to a perception that makes people draw inward because they feel they have to protect themselves. That means that their best efforts and best energies are not used in an energetic contribution to Canada. That undermining of the Canadian sense that they are going to be looked after—not in a paternalistic sense, but that they have made a fair contribution and now they have a right to expect some benefit—has been, to my mind, one of the most damaging and eroding aspects of the last eight years. It is most always our seniors, who in many ways feel fundamentally betrayed.

It also demonstrates perhaps the most glaring problem that members on this side of the House have tried to bring to parliamentary and public attention over the last couple of months, and that is the condition of children. I listened in debate to the parliamentary secretary who talked in quite glowing terms about how this bill will add $35 a month to a dependent of someone on disability. She said how important that was but never recognized when she spoke that what she was really saying was what about all those other children in society who are not getting an extra $35 a month, who cannot get the $178 a month benefit, whose only support is the approximately $35 family allowance.

What struck me when the parliamentary secretary spoke on third reading and talked about this benefit for the dependants of those with disabilities was that she might have understood that she was talking about a problem that reaches out in a much broader way. One of the elements of security we have to begin to provide in this country is security for the family to provide a real

foundation, a real anchor so that families can feel they are part of it, that every time they reach a crisis, whether an accident, a marriage breakdown, a sickness, an illness, or a problem, they are not going to fall between the cracks and end up homeless, at the food bank, or without the kind of support they need. It happens every single day. They are not being supported any more.

I hope that changes in terms of dependants of those who can get disability benefits will be of some help. I still feel anguish for many of those who have not had the same kind of attention paid to their problems in any piece of legislation in this House.

As we end this third reading and this legislation goes on the books and we pass on to something else, I hope that we will not forget the lesson, that we will not forget how members of this House of all three parties who count stood up and talked about the problems and anxieties facing their own constituencies: seniors without proper pension benefits, people with disabilities, spouses who go through marriage breakdown and do not get a fair share of the credits.

We also recognize that those problems must be looked at through a prism and the light must shine on a much broader spectrum of Canadians. That is what this is all about. Security is not welfare. Security is not a handout. Security is not paternalism. It is the bedrock upon which we build our economy. It is the bedrock upon which we build a society that feels confident about itself and feels that it cares for one another. That is the way in which we are going to become a new productive society.

The government is out consulting with its new paper on competition and productivity. I have read those papers carefully. Unfortunately it does not mention what perhaps may be the most important ingredient in becoming a productive competitive society, and that is a society that feels secure about itself, that knows how to take care of those who are less fortunate and uses the full talents of all its people.

You will never become competitive and productive as long as you keep treating people, to use the words of my colleague, as second class citizens.

I support this bill because it moves to fix pension plan problems and toward those with disabilities. I hope to God that we will take this bill and realize that we have an awful lot more work to do.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, every time I hear that my colleague from Winnipeg South Centre is participating in debate I try to get to the Chamber because if there is one individual in the House who has demonstrated an ability and a capacity to represent his constituents with vigour, enthusiasm and intelligence it has been the hon. member for Winnipeg South entre.

Not only has he been a very distinguished member of this House but he has served in other capacities as well in government and he has distinguished himself there.

He knows what he is talking about when he makes reference to some of the pitfalls of the Canada Pension Plan and when he draws to the attention of members of this House the inequities that are still within the system. I think he would concur with some of the very bright, articulate and enthusiastic members of the Public Service, but because of the restrictions of the law they lack the ability to rectify the errors.

• (1510)

The hon. member has made reference to the fact of flexibility in terms of resolving the difficulties. I think all members ought to concur with that. Flexibility is needed but what also is needed is some sense of discipline at the top when moneys are made available to worthy recipients as it will be in this particular case. In fact survivors will get an increase of roughly $35 for a total of about $420 a year. But we need flexibility in the Canada pension and we need discipline at the top.

You cannot ask a claimant to wait 12 months or two years or 18 months or 6 months before they get some sort of an answer. That is not flexibility. I am sure that the hon. member opposite who is a parliamentary secretary in his own right would want to stand and agree with me that that is gross negligence. It is not done by the public servants but by us, the lawmakers in Parliament.

I ask the hon. member if he senses any political will within the government to try to change these kinds of mistakes and errors. Has he sensed that? I have a tendency to believe whatever the response of the hon. member will be because of his distinguished track record in this House and because of the way he was represented

his constituents both in government as well as in opposition.

While the hon. member is on his feet I am wondering if he could respond to another question as it relates to Bill C-39 and the consequential effects of Bill C-39 in terms of pension reform. I will conclude with this question. I know there probably would be a disposition within the House for me to continue but I will conclude with this question.

The hon. member knows very well that this is a time of great crisis and the recession has not let go. Canadians from coast to coast, in Nova Scotia and Saskatchewan and the great province of Quebec, western Canada, Atlantic Canada and Ontario are feeling the crunch. Is it fair for governments to waver, sit on its hands and do very little if anything to assist claimants who are waiting in excess of 18 months in order to have their claims processed. I ask the hon. member: Is that fairness?

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, let me first say to my distinguished colleague about his very complimentary opening remarks that if he does not go to heaven for the virtue of generosity he may end up in hell for the sin of exaggeration.

I would say to him that I feel inadequate to answer his question because I think we all recognize that there is no one in the House more knowledgeable about pension reform than our hon. House leader. In his previous capacity he was critic for national health and welfare. I hope the hon. member recognizes and that all members recognize what a contribution the House leader of the Liberal Party has made. He not only contributed to this debate but also to the whole momentum toward changing pension reform. He is still on the barricade demanding that we fight against the real problems that exist.

What I tried to say in my remarks is that the inadequacy of the legislation does not just stem from the broad brush strokes of policy. It also stems from, as he properly said, an attitude of mind at the ministerial level. Recognizing the urgency and imperative of the times we live in, there is nothing to prevent any minister from organizing special procedures for processing applications, for streamlining applications or for ensuring that there is quick deliberation. It is simply a matter of will.

It is simply a matter of saying how we are going to do it and using the best resources in the Public Service to provide a case in point. I can recall when I was responsible for immigration and we had the problem of illegals. We set up a special system of adjudication. Various kinds of applicants and groups could come in and we would process thousands within a period of six months. It was a good committee.

It seems to me that the same kind of answer could be found today. I concur. In this case I think a little bit of joshing is necessary. I find the same problem. When it comes to dealing with pension problems, people see it as some kind of Gordian knot that has to be untied. They see it as some kind of crystal palace where people have to walk through the maze to kind of get an answer and never really find their way out.

It is the most tortuous thing to have a file of correspondence this thick on one pension case. I think every member in the House knows it is the same problem, that we burn up more paper and more time and more energy on one case as opposed to having some minister saying: "Look, part of my job, never mind being a partisan advocate or a member of the cabinet, is to sit down on some Friday afternoon with my top officials and say that we have a problem and let's clean it up. Let's fix the mess and get the administration streamlined". That is all we have to do.

The Acting Speaker (Mr. O'Kurley): Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the third time and passed.

Mr. Cooper: Madam Speaker, I rise on a point of order. I believe you will find in this magical place called Parliament that we could call it four o'clock.

Madam Deputy Speaker: If there is unanimous consent for me to see four o'clock, four o'clock it is.

The House stands adjourned until Monday next at 11 o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 3.16 p.m.

HOUSE OF COMMONS

Monday, December 2, 1991

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

INTEREST ACT

MEASURE TO AMEND

Mr. Don Blenkarn (Mississauga South) moved that Bill C-237, an act to amend the Interest Act (calculation of credit card interest), be read the second time and referred to Legislative Committee E.

He said: Mr. Speaker, this is a bill to amend the Interest Act. The calculation of interest and how it is to be calculated is a matter of federal jurisdiction which we have not dealt with sufficiently. The bill deals with the calculation and the terms of calculation of interest rates on credit cards. It does not limit the interest rate or control interest rates, it merely determines how interest is to be calculated and it does that for the following reasons.

First, it is a bill designed to make the calculation of interest possible and provable. Second, it is a bill to standardize the calculation of interest so that consumers can compare the interest rates they are charged on credit cards. Third, it is a bill designed to prevent unconscionable double dipping by some credit card companies charging interest on money for which they have already received a payment or a fee for lending in the first place.

We are all in love today with our plastic. There is not a Canadian who does not go around with plastic in all cases. We have on average something like two and a half credit cards per individual. We all love our plastic.

Before plastic it was necessary for us to pay our bills in cash. If you did not have the cash you could not pay or you paid your bills with a cheque. If the merchant would not take your cheque then you could not buy. If you had a good arrangement with your merchant he might give you credit but you would pay the merchant off at the end of the month or whenever.

The incidence of plastic now makes it possible for people to buy goods and services anywhere in the world where your plastic is good.

As an aside I suppose we would all be better off in some senses if we did not have plastic because we would not run up some of the debts we run up but our world moves because we are able to move money quickly from one person to another. The plastic makes that possible.

Those who issue credit cards get their emolument or get paid for their service in three fashions. First they charge what is called a merchant fee. A merchant fee is really a method whereby the merchant factors his account receivable, because he has not been paid in cash, to a bank or a credit card company. The bank or credit card company pays him for the receivable. The bank or credit card company then bills its customer who is the holder of the card for the good or service at the time of payment. The bank takes a discount on the amount of the cost of the good as a merchant fee.

If you buy something for $100 and the merchant fee is $3 the merchant gets $97. The bank or credit card company collects when it collects its fee of $100 at the appropriate time and therefore makes $3 for supplying the credit or looking after the credit.

The second method of payment or emolument to the credit card company is a user fee. Those fees vary all over the place. Some credit card companies charge an annual fee. American Express for example charges $75 on their green card. Some companies charge a monthly fee. Some charge $1 a month, $12 a year or 50 cents a transaction. These are user fees and they vary all over the place. It depends on the merchandising of the card and how the company wants to handle it.

All companies charge interest in one form or another and calculate it in a different way on the amount outstanding on their cards. Some companies like the Bank of Montreal on its MasterCard do not charge any user fees. It charges merchant fees and interest on the card.

The American Express or Amex green card charges a very substantial up front user fee and a merchant fee but only charges interest when the account is in default and then it collects interest on the money and usually at the same time terminates the credit because it takes the position on the green card part of its business that it is not in the business of lending money. It is in the business of facilitating purchases. Interest is on default only. On default the card becomes a cancelled card. They sue to collect their money and at that point demand interest.

• (1120)

I wish to explain this bill and how it will work. At the present time interest is charged by people in a different and peculiar fashion. To understand interest and how it is charged one must understand merchant fees and why they occur.

Merchant fees can be anywhere between 1.5 per cent and 5 per cent of the sale price, depending on the contract the merchant has with the person who allows him to use the card. It can be the bank or whoever.

Say for example I deal with a merchant who is a jeweller and I decide to buy a $100 bauble for my wife. Suppose the merchant has a fee of 3 per cent. I sign my Visa card and agree to pay $100 for the bauble. I take the bauble and the merchant takes my Visa slip and he immediately deposits it in his bank account. The bank credits him not with $100 but $97. He has $97 immediately in his bank account. He does not have to worry about my credit. He does not have to worry about a cheque that might bounce. He is able to make a sale because I did not have $100 in my pocket. I could not have bought the bauble so he has made a sale that otherwise he would not have made.

The merchant is happy because he has $97 in cash and I suppose he has calculated the cost of supplying that credit in the purchase price of the bauble.

When the bank collects it obviously collects the $100. The merchant fee profit on the transaction to the bank is $3. I suggest to you, Mr. Speaker, that that merchant fee represents interest on the advance of money to the merchant. That is what it is. It is a pre-calculated interest charge for the use of credit and the merchant has paid for that credit because the credit has been to his benefit.

Suppose I made that purchase from the jeweller on November 15. At that time the merchant got his $97 and the bank paid out $97. If it was a Visa account that I have they may bill everything up to the end of November. On December 2 they will send out a bill to me dated December 2 which says that if I pay by December 21 I can just pay $100 and that will be the end of it.

In most cases that is the end of it. At least half of the people who buy on credit cards pay their cards off within the credit period. In this particular example the credit period runs to December 21. I have that period of time to pay the bill. If I pay it on time that is all there is to it.

Suppose I do not have $100. I only have $50 and I pay $50 on the account which leaves $50 still outstanding. One would think in decency that the bank has received $3 interest on the money to December 21 and and if they get $50 in that period then they would only charge interest on that $50 from December 21 to the next payment date. That is what you would think would be decent. That would be the ordinary calculation of interest on what ordinarily ought to happen.

But oh, no, they play a different game.

This is the fault that must be corrected. This is what this bill is about. Instead of treating $50 as something they have, they proceed to say that they have not been paid in full, and therefore are entitled to charge interest on $100.

Even though they have interest on $100, they charge interest on $100 at their rate, we will say at 18 per cent per annum, not from December 21, not from December 2, but from November 15. Interest on $100 from November 15 until December 21 works out to about $1.80. Right off the bat, they add $1.80 to the account and then they get $50 and are still owed $50.

They say it is plus $1.80 for interest, but they want even more than that because when they send their bill out on January 2, they calculate interest on $50 from December 21 until January 21 and that comes to another 75 cents or 76 cents or so. On January 2, they send a bill for $52.86, giving them another calculation of interest.

The bill is designed to stop that fault. The bill says: "Interest on a credit card account shall be calculated monthly as it accrues and where unpaid when due, such interest shall be compounded monthly from the date that payment was due". In this case, payment is due on December 21 and interest should be calculated from the date payment is due.

When they send out their bill on January 2, they should send out a bill for interest from December 21 to January 21 representing a cost of approximately 76 cents or a bill for $50.76. That is really the compensation they are entitled to on the amount of that advance.

What has been happening, and happening with increasing frequency, is that card companies have been doubly dipping the consumer. First of all, they dip the consumer, indirectly I admit, when they get a merchant fee to cover the cost of carrying the credit to the end of the credit period.

Then they come back if they are not paid in full and want interest all over again on the same money. This bill is designed to prevent that happening. It is designed to make it possible for people to calculate the interest outstanding.

Right now, while my example only had me buying one article in the month, I might have bought a series of articles on November 2, 14, 15, 27 and so on. In each case, the bank would have calculated back to the date of purchase. I could not conceivably determine the amount of that bank calculation.

When the bill arrives with interest, I just have to assume that it is correct under the current system. Under the system proposed in this bill, I will know when I pay $50 on account, what is the balance owing on my account. I will be able, with straight long form arithmetic if necessary, to calculate the interest that should be due when my bill comes again to be paid in January, to be paid by January 21.

For the first time consumers, if this bill should pass, will have the opportunity to determine what interest they are paying for the advance made on their plastic by the issuer of the plastic card.

• (1130)

I commend this bill to the House. I think this matter has to be dealt with. Institutions have tried to avoid dealing with it. I suspect today that the government in its usual fashion will put up one speaker after another to say that it somehow interferes with business.

Well, it is about time we allowed business to operate sensibly and fairly. It is about time that the calculation of interest was controlled in the same manner for everyone and this bill attempts to do that.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, it is good to see you so chipper so early in the morning at the beginning of a week. You are setting the tone for the entire week and it is good to see that.

I rise today to support Bill C-237 put forward by my hon. colleague. He has put a lot of work into this bill. Over the last few months I have had to read—and I have to say it has not been painful—a lot of his past press releases as well as testimony in committee when he was chair of the finance committee. The committee brought in a report, I believe it was in 1988, dealing with credit cards generally. In 1989 the Standing Committee on Consumer and Corporate Affairs revisited this entire issue. Since the Standing Committee on Consumer and Corporate Affairs Committee is now dealing with the issue again, this bill is a topical issue.

At the outset I want to indicate to the hon. member that the issues he raises are serious and affect almost every single consumer in Canada. A lot of times private members' bills put forward in this place have a very limited application and there are not a lot of people out there who are affected. I dare say there is probably not a member of Parliament and there are very few adults in Canada that do not have credit cards. The startling statistics are that there are about 27 million bank cards out there and only about 18 million adults in Canada. In addition to that, there is probably another 30 or 40 million department store cards.

If you really want to look at a bill that has broad implications for every consumer in Canada, this certainly is one of them. The member also brings with him a tremendous degree of credibility when he deals with financial issues. He is not one of these Johnny-come-latelys to the vast and dark tunnel of financial institutions. He has been dealing with them in this and previous Parliaments for a long time. I want to commend him for his perseverance at this point in his career, in continuing to dog this particular issue because he knows that fundamental change is needed.

I want to underline this point. The hon. member indicated that the current way credit card issuers calculate interest is pretty bizarre. It is fine to say that consumers should understand what is the effective rate of interest being charged. I will bet you that if you pulled aside any dozen individuals in this Chamber and asked them how the credit card companies calculate interest, unless they have been involved either in the finance committee deliberations of 1988 or involved in the consumer and corporate affairs committee deliberations in 1989, they would not know. They would not have any idea. It is almost like life insurance policies. How many people out there actually know what all the small print means on their life insurance policies? I do not think even most life insurance salesmen know.

It is the same thing when you come to credit card interest rates. My hon. colleague is quite correct. What happens is clear. The credit card issuer states that there will be a a grace period and if the balance is paid off during that grace period there will be no interest charged. That is basically it. We heard from the Royal Bank and the Bank of Montreal just two weeks ago that one-half of all the banks cards, Visa, MasterCards in circulation have an average unpaid balance of an of $1,000 every month. So we are not dealing with a little bit of money, we are dealing with about 15 million cards with an average balance of $1,000 every month.

I want to read a letter that I just received in my office on November 27 addressed to the Hon. Pierre Blais. I am not going to indicate the author of this letter because it deals with some financial information that he may not wish to have disclosed.

I want to read this letter because it certainly puts bank interest charges in perspective. It says that his October 1991 Visa account had an outstanding charge of $2,101.72. It was his intention to pay off his account in full, as he always did. He was a good consumer who paid his balance off every month. Isn't he lucky that he has the money to do that. However, through an error, he issued a cheque for $2,001.72 and he enclosed a copy of the cheque. That left a carryover amount of $100.

He thought he had paid the $2,101.72 off, but he left a balance of $100 in the way he wrote the cheque. He is one of those guys who are lucky enough to have the money to pay off that bloody card at the end of every month.

On his November 1991 account, of which I have a copy, he now finds an interest charge of $50.57 on a carryover amount of $100. He has paid over 50 per cent interest on his balance. You do not get interest relief at all unless you pay every cent off, every penny of the money that you have charged. If you do not pay it all off within the grace period you are going to get nailed for the interest on money that you have already paid off. The full amount. Nothing could more clearly illustrate the point that my hon. colleague has made.

In 1988 my hon. colleague put forward Bill C-238. The bill sought to do the same thing this one is doing. It is trying to put some sanity into the marketplace when dealing with financial institutions, and regarding large credit card issuers, it is trying to standardize the method of interest calculation so that consumers will be able to know. It is pretty difficult. It is like going into a dark corner where there are 12 hissing snakes and trying to pick out the one that is not poisonous. It is the same thing right now with consumers who are trying to deal with the different rates of interest calculated by various card issuers.

My colleague has put forward a bill to which the government could easily assent. The financial institutions may not like it, but they usually do not like it when they have regulations that in effect make them more accountable, not just to Parliament but to the consumers out there.

As one of my colleagues said a little earlier, credit cards derive their money from three different areas: the transaction fee they charge the retailer, the interest rates and user fees.

If anybody out there is about to start crying in their cups for the major credit card issuers in this country, I just want to let them all know that the consumer and corporate affairs committee, in some of its deliberations a few weeks ago, was questioning two of the major banks in Canada. We wanted to find out why the banks had to keep primary interest rates a full 12 percentage points above the treasury bill rate. What the banks had indicated is that it was because of their loan losses. The country is in a recession, 40,000 consumers have gone bankrupt across the country in the last 10 months, a horrendous figures, and it was because of loan losses on Visa and MasterCard accounts.

I was very particular and I said: "Does that mean you are losing money?" They said: "No, it is just that our losses are high". I said: "So what you are telling me is that on one of the three components where you make your money, you have to charge 12 per cent more because you have not made enough money?" Is that what you are trying to tell us?' They did not nod yes, but by their silence and by their stoic look, the answer had to be yes, it could not be anything else but yes.

When the banks come out, as they would if this bill were adopted, and say this is unfair and unduly restricts the marketplace and there should be an allowance through which we can deal with these complex financial calculations outside of the realm of Parliament and regulation, I just want to indicate that we have just gone through one of the worst recessions on record, a very difficult recession. The Royal Bank is a very good bank and I do not get any letters from Royal Bank managers. It is a very good financial institution. It serves its shareholders well. It makes a lot of money for them and banks are in the business of making money. The Royal Bank last year made about $923 million in net income. The Royal Bank this year is probably going to make either a little below that or, if the next month is better, it may even hit a billion dollars. That is a lot of money.

The Bank of Montreal, a very aggressive bank, has gone out there, dropped rates and it is a very competitive institution. I credit the management of that institution for shaking up all of our financial institutions in Canada by its aggressive behaviour. The Bank of Montreal, in the middle of a recession, has posted record profits. When we start dealing with—

An hon. member: What have they all paid in taxes?

Mr. MacDonald (Dartmouth): My hon. colleague from Broadview—Greenwood asks what they have paid in taxes.

An hon. member: On whose backs?

Mr. MacDonald (Dartmouth): On whose backs have they done it.

• (1140)

If we look at this bill in perspective, it seeks to give the consumer some relief. It puts into the marketplace a regime which is standardized so that the consumer knows once and for all exactly how his interest is going to be calculated.

It also says to the large financial institutions that issue these cards that we are going to keep an eye on them. We do not want to make them unprofitable, but we do not want to leave them out there so highly unregulated that the consumer is going to suffer.

We in the Liberal Party believe this is the type of measure that will look after both interests and you can look after both interests.

Canada needs strong financial institutions. As well, we need strong consumer protection from undue gouging and from some practices some might consider to be a bit of collusion.

In conclusion, I want to commend my hon. colleague. He has tremendous tenacity. He is like a dog with a bone and he is not going to let this one go. I want to let him know that some on this side of the House treat his perseverance with a great deal of respect. We on this side of the House think that this bill goes a very significant way in ensuring that in the complex area of financial institutions, the setting of credit card interest rates through all three of the areas we talked about before are open to more public scrutiny and are more accountable to those 22 million credit card holders across Canada.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I guess the hon. member for Don Valley is going to hit a home run today. This close to Christmas perhaps he merits it because I too would like to speak on his bill in support of it.

As a consumer advocate for close to 23 years I too have seen consumers gouged by excessive credit card rates and unfair credit card practices. When we look at the establishment of interest rates, it is no wonder that we, the members of the consumer affairs committee, along with my colleague from Cape Breton, would like to see a serious approach taken to bringing down these interest rates. Whether it is a floating cap or other measures, there have to be some serious measures taken right now in order to prevent consumers in this country from getting gouged.

When we are talking about gouging through credit card interest rates as well as practices, you have to look at the two differently. With respect to interest rates, my party and other parties I think have been in favour of having a floating cap. This is not spoken to in the hon. member's bill. It is unfortunate because the consumers affairs committee twice, in 1989 and prior, recommended that there be a floating cap. That was an all party committee, Conservatives, Liberals and NDP. It was just common sense, *gros bon sens*.

I am sure the hon. member probably agrees with the government. It did not wish to see a floating cap on interest rates. That is unfortunate because it is a very serious problem, I think even more serious than this double dipping problem relating to the approach it takes to calculating the interest rate.

If we take a look at the interest rate structure right now, the card companies are going to say: "We need every opportunity in order to cut down on these fraudulent claims or on these people who are delinquent in paying".

I am going to stop for a minute because of the noise from the other side. It is very difficult for me to even hear what I am saying.

The Acting Speaker (Mr. Paproski): Order, please. If you wish to carry on a conversation, would you carry it on behind the curtain. It is very difficult to hear the hon. member.

[*Translation*]

Mr. Edmonston: Mr. Speaker, it is especially because credit card issuers explain high interest rates by the large number of unpaid accounts and the many false claims. But this is not the consumers' problem—it is the credit card issuers'. They choose their card holders in a rather strange way. People who were $250,000 in debt and went bankrupt were solicited to become card holders the next day. They are approached by credit card issuers like the banks and, in one specific case, American Express, as reported by journalist Pierre Berton. So these people are always being solicited, whether they were bankrupt or not. Of course, this may be a way to get more customers, but it forces people like you and me and many other Canadians who pay every month to pay more on account of those who do not pay. I find that is neither right nor fair.

The interest rates are unacceptable. As my hon. colleague said, they vary from 19 to 20 per cent in some cases, with the banks, to 25 per cent for department stores and other companies and even 30 per cent for American Express. Yes, 30 per cent. We should find out whether the companies are really doing so badly that a bill like the one presented by the hon. member could bankrupt them. Would they suffer large losses as a result? I do not believe so. I simply believe that it would be fair to require these companies to act responsibly towards their customers by setting acceptable interest rates. A difference of 12 points between the bank rate and the current interest rate is really enormous. If it were cut in half, to 4, 4.5 or 5 per cent, it would at least mean that the customer could obtain justice. I call that simple justice.

It is true that the credit card issuers today make huge profits except, perhaps, interestingly enough, American Express with the Optima card, which was a big fiasco. In the United States, some people like hotel and restaurant owners are really unhappy with the Optima Card. American Express probably needs a 30 per cent interest rate today because it lost so much in the past. But I find rates of 25 per cent and 20 per cent for the banks, department stores and other companies really unacceptable, especially in view of the profits of financial institutions, particularly banks, recently.

So as for interest rates, I find that my hon. colleague should show some courage, independence and even tenacity and really demand that interest rates be capped at a certain level and that banks and other companies be required to respect that ceiling.

When I spoke with the bank representatives who appeared before the Committee on Consumer and Corporate Affairs and Government Operations, the representatives of the Royal Bank and the Bank of Montreal said, or rather admitted, because they did not want to say so at first, that in the past, in the 1960s, interest rates were capped, although perhaps the hon. member for Don Valley may not have been aware of that. And I asked the bank representatives whether they had any particular difficulty with the interest rate ceiling. They told me that they did not, as you can check. It was not a problem then. Maybe today, 30 years later, there might be a problem, I don't know. But in the past, when interest rates were capped, they did not have that problem.

• (1150)

So I would be inclined to think that the banks and other institutions would not have very great problems if interest rates were capped.

A second point that I would like to raise, besides the need for a limit on interest rates, is the present method used to calculate interest on the balance due, as my hon. colleague just mentioned. Unfortunately, the current method is unfair and I think that the hon. member's bill is excellent in its approach to these issues in that credit card holders should pay interest on the balance due and not on the initial amount. I do not know whether the hon. member is aware of it; he talks about "double dipping". I can tell him about "triple dipping".

I personally met a restaurateur who accepts the American Express card. He told me that American Express does not pay restaurateurs immediately—a well-established procedure. My hon. colleague is mistaken if he thinks that everyone is compensated or paid right away when someone pays with a credit card. It can sometimes take 10 days, sometimes 21 days.

To conclude, I would like to mention that restaurateurs who accept the American Express card asked their customers to leave those cards at home. They did not exactly boycott them, but they would prefer their customers not to use them. So there is a serious problem of triple dipping.

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I support the position taken by my hon. colleague, the Minister of Consumer and Corporate Affairs. I entirely agree with his careful analysis of the matter before the House today—the interest rates charged by issuers of credit cards on balances due—and with his approach to dealing with this matter.

I am also aware of the concerns of the hon. member who introduced this private member's bill, and I fully support his goal, which is to help consumers who take advantage of the credit terms available to credit card users.

However, after considerable reflection, I must conclude that the proposal before us today is not very sensible and should not be adopted, in the circumstances.

I do not think we should make a decision without first giving full consideration to the needs of consumers and the consequences of measures that might be adopted by this House. We should pursue the ongoing process of regulatory reform launched by this government and not let ourselves be sidetracked by adopting special measures. The goal of our reforms is to ensure the stability of the financial sector and increase competition among the players in this industry, always in the interests of the consumer.

Both goals are necessary. If we undermine the stability of the financial sector, all sectors of our economy will suffer and automatically the consumer will be the loser.

Conversely, it is not in our interests to protect our financial institutions by reducing competition. Such a policy, were the government so rash as to implement it, would not only penalize the consumer but also hurt and weaken the competitive position of our financial industry—an industry that today is among the most advanced and most competitive in the world.

After these generalities about regulatory reform in the financial sector I would like to go on to the subject of credit card interest rates. There are several points I would like to make.

First of all, credit card interest rates and rates charged for the various types of credit available today are set by the market, which allows consumers to shop around for the best rate.

I may also point out that consumers with unpaid balances on their credit cards are usually in the higher income bracket and have a level of education that is higher than average. I would expect these people to have access to other, less costly forms of credit, such as a line of credit or a consumer loan, but we can only speculate on their reasons for deciding to use a more expensive form of credit.

One reason may be that they are not familiar with the various types of credits available. It is the role of the Department of Consumer and Corporate Affairs to make them aware of those possibilities. Another reason might be that some people prefer to make full use of the credit offered by these cards because it is so practical. In the final instance, it is up to every individual to weigh the pros and cons of this commodity.

Second, I would like to say a few words about the cost of the credit extended by the issuers of credit cards. Of the three components of the cost of credit, only one, the cost of borrowing money, has gone down in recent months. If I may digress slightly, I would like to remind the House that it played an important role, together with the present government and the Bank of Canada, in fighting inflation so that this drop in interest rates could occur. I think the hon. member who tabled the bill will agree.

The other components of credit costs—administration costs for credit card services and the cost of establishing reserves to cover bad debts—do not necessarily go down when interest rates go down. Although its purpose is not to cap interest rates, the bill before us this morning proposes to legislate the way interest is calculated on unpaid credit card balances. Consequently, it should be assessed according to the same criteria as any other rate setting measure.

Well intentioned though this measure may be, it asks Parliament to take unilateral action. So far, the various parties concerned by this matter have not been able to agree. I would therefore ask hon. members to analyse this question and discuss it at length before taking such concrete action.

In concluding, I believe that the best way to give consumers a chance to get the cheapest type of credit possible is to let the market decide. The financial sector legislation tabled by the government will expand the range of options offered to consumers. Thanks to such measures, which are the result of well prepared consultations and discussions with the various parties in our financial sectors, we will be better able to respond to the whole range of consumer needs.

I must therefore vote against this bill, and I recommend that we look for other ways to ensure that the financial sector's operations are sound and also fair to the consumer. Consequently I would also ask hon. members to vote against this proposal.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am sorry to have just listened to the Parliamentary Secretary to the Minister of Finance because, quite frankly, I think that the government had a rare chance to do something here today that, contrary to what he would suggest, will not in any way, shape, or form upset the fiscal framework of the financial institutions in this country.

What the member for Mississauga South is doing in presenting this private member's bill is pleading for fairness and is pleading on behalf of all of the consumers in Canada. We know there are close to 50 million credit cards in circulation right now.

• (1200)

In an economy that is as depressed as our economy is at this moment in time and when our financial institutions are showing record breaking profit margins, it would seem to me that it would not only spur on some of the activity that we need so badly, but it would be a concrete action that this government could support. It would be an action that it really does believe in some kind of fairness in the economic system.

I can only say to the member, because it looks like the government is going to talk out this private member's bill, regretfully, as another member from a downtown Toronto market like the member for Mississauga South, we on this side are totally behind your bill. Maybe, in the not too distant future, the government will finally see the light on amending this legislation.

Mr. Maurice Foster (Algoma): Mr. Speaker, I want to compliment the hon. member for Mississauga South on the the bill he has put before the House this morning, Bill C-237.

It is a bill which seeks to provide fairness to people using credit cards. The instance that comes to mind is a constituent who actually is a solicitor in my riding who acts on behalf of one of the chartered banks. He describes a couple of months ago when his bill for his credit card purchases over the month was something like $1,700.

He could not make out one of the charges, who it was from. It was charged to a numbered company. It was not the corporate name. He inquired. He paid the rest of the bill. I believe it was something like $1,650, but he did not pay the charge of $50. It turned out to be a restaurant charge, but instead of the name of the restaurant, it was a numbered company.

He sent in the bill for $1,650. He did not pay for the one charge of $50, and lo and behold the next month, he was charged interest on the entire $1,700 for the month. Needless to say, he was absolutely furious.

I do not know how the parliamentary secretary can stand up in the House today and make statements like: "You should not penalize the consumer". Surely the existing credit card interest rate law is penalizing the consumer. The banks' interest rates are too high anyway, but surely they should not be charging interest for payments that have been made as an extraordinary penalty.

The parliamentary secretary says that we should analyse the issue and then choose. The House has analysed the issue here this morning and has chosen to go with the member for Mississauga South.

The parliamentary secretary says that we should debate the issue. We have debated the issue. The parliamentary secretary really lost the debate. He did not put up good arguments.

I would hope that at some time, whether it is today or very near in the future, by unanimous consent and realistic thinking by the Minister of Finance and the parliamentary secretary, this bill could be brought back by unanimous consent and passed. It is the only fair way to treat consumers of this country.

[*Translation*]

The Acting Speaker (Mr. Paproski): The time allotted for the consideration of Private Members' Business has now expired.

[*English*]

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 1991

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, as reported (with amendments) from the Standing Committee on Finance.

Hon. John McDermid (for the Minister of Finance) moved that the bill be concurred in.

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

Mr. Langdon Mr. Speaker, I would like to ask for unanimous consent to place before the House for consideration amendments which I prepared and which were presented slightly too late on Friday to meet the two o'clock deadline.

I understand there have been some discussions about this. I hope it will be possible for the House to give its unanimous consent so that we can talk about some of the disparate elements within this piece of legislation.

Mr. Cooper: Mr. Speaker, I can confirm that there have been these discussions. There is only one thing I would want very clear. As the hon. member knows, there have been various discussions among the party leaders regarding the calendar between now and Christmas. We would just want an assurance that by proceeding with these amendments we would not end up in a situation that would in any way affect that calendar.

Mr. McDermid: Mr. Speaker, I gather that the Chair has not had a chance to rule on the technical admissibility, never mind the timing, of those amendments. As I understand them they would all probably be ruled out of order.

I would suggest, if we do grant this, that we get a commitment to discuss them all at once and not each amendment separately. I understand there is a large number. In fact what most of the amendments do is wipe out the bill so I think they would be ruled out of order.

I would ask that they be considered all at once.

The Acting Speaker (Mr. Paproski): I would like to get unanimous consent first. Is there unanimous consent to allow the motions?

Some hon. members: Agreed.

SPEAKER'S RULING

The Acting Speaker (Mr. Paproski): These six motions are to delete clauses in the bill. There are six motions in amendment to Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, at report stage.

Motions Nos. 1, 2, 3, 4, 5 and 6 in the name of the hon. member for Essex—Windsor will be grouped for debate. A vote on Motion No. 1 will apply to Motion No. 2.

Motion No. 3 will be voted on separately and a vote on Motion No. 4 will apply to Motions Nos. 5 and 6.

MEASURE TO ENACT

Mr. Steven W. Langdon (Essex—Windsor) moved:

Motion No. 1

That Bill C-20 be amended by deleting Clause 2.

Motion No. 2

That Bill C-20 be amended by deleting Clause 3.

• (1210)

Motion No. 3

That Bill C-20 be amended by deleting Clause 7.

Motion No. 4

That Bill C-20 be amended by deleting Clause 8.

Motion No. 5

That Bill C-20 be amended by deleting Clause 9.

Motion No. 6

That Bill C-20 be amended by deleting Clause 20.

He said: Mr. Speaker, what we have in front of us is the heart of the government cutbacks, commitments and expenditures which formed part of the budget put before this House back in the late winter. We have discussed this bill in committee and many groups came to testify before us. We are talking about a large number of groups, some of which appeared, some of which submitted briefs. There were approximately 25 to 30 groups. Every single one of them spoke out against this legislation.

These amendments attempt to pinpoint the specific areas of the legislation to which groups across this country and people across this country have objected most strongly.

The first two amendments would deal with the extension of the freeze on transfers to the provinces for health care and for post-secondary education. I find it absolutely remarkable that a government can be proclaiming that it is working for greater prosperity, greater competitiveness in this country, a better education system, and at the same time putting before us clauses such as these two which will would cut back the amount of support available for post-secondary education.

I also have to say that the groups we heard from, with respect to health, represented an impressive array right across the entire dimensions of the health community in this country. I have in front of me the brief which was presented by the Canadian Medical Association. The Canadian Medical Association is not a radical organization, it is not an organization which has any commitment except to see to it that there is a good health care system in this country. Its recommendation to us was that Bill C-20 be deferred until the results of the review of the tax collection agreements and the federal transfer discussions including the fiscal equalization program are known.

It also suggested to us that there should be legislation introduced to mandate federal support for health programs. It suggested that there has to be a serious look at how we are spending money in the health care field. It has to be done with urgency and it cannot be done if we have the kinds of cutbacks in this bill.

One of the most shocking pieces of evidence came out in the discussions with the Canadian Medical Association.

Here is an initiative from the federal government which will seriously impact the health system of this country. I can tell Canadians across this country this proposal was not even discussed with the medical doctors in this country. It was not discussed with nurses, it was not discussed with the various support staffs which make up our hospitals. It is especially scandalous that it was not even discussed with the medical association in this country.

We also suggest that section 7 dealing with the Public Utilities Income Tax Transfer Act should be struck because this too freezes the amount of money which can be transferred to the provinces. The federal government is trying to offload on to the provinces the economic mess which it has made in terms of the deficit over the past seven and a half years.

Section 8 should also be deleted. It is the section which increases premiums for the Unemployment Insurance Act.

We feel that to put this extra tax into effect in the middle of a recession in this country is not just foolish economics, it is tragic for the people who are faced with increased payments at a time when they are already stretched to the limit. We hope that clause will be struck from this legislation.

We suggest that section 9 be struck, which also deals with the question of premiums under the UI act.

It has been a remarkable experience to listen to groups from across this country such as the B.C. Association of Community Care, the Canadian Association of University Teachers, the Canadian Co-Operative Association, the Canadian Federation of Labour, the Canadian Federation of Students, the Canadian Health Coalition, the Canadian Labour Congress, the Canadian Medical Association, the Canadian Nurses Association, the Canadian Public Health Association, and one can continue through the list of the health care advocates of British Columbia.

Group after group came before us saying that something needed to be done about health care expenditure and that to tighten the noose around our health care system at this point is a serious threat to the future of medicare in this country.

Medicare is one of those things, perhaps the most important, which tie our country together and give our people a sense of pride and a sense of commitment to Canada. For us to even be thinking about these cutbacks, which will make it more difficult and some groups said impossible to improve our medical care system in Canada and make it work for the future, is a very sad step to take.

I hope this House will not take it. I hope these amendments will be accepted.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I appreciate the opportunity to speak on these particular amendments.

I would like to take the opportunity to point out to the House that this is one of the most deceptive strategies I have seen used by the NDP in the promotion of health care. That is what it has chosen to do. If you look at the amendments, you will say to yourself: "What is left?" What is left is section 4, which is a Draconian attack on other social programs and education programs in this country. If you looked at the legislation and accepted their strategy, the only thing is that the federal government would do would be able to take money from other programs to protect health care. That sounds like a social good, we all want to protect health care, but this is where the Conservatives and the NDP agree. Instead of providing funds, instead of developing a fair tax strategy and instead of financing this government properly, what it will do is take from every other program in order to support medicare. This is very much reminiscent of the strategies being tried by other parties, such as the British Labour Party, to focus people in on one program to scare them and, at the same time, make other groups feel very, very vulnerable.

• (1220)

For example, if you followed the NDP strategy on this one, people could lose money from equalization payments affecting post-secondary education. If you look at the brief, which was very carefully omitted in the review by the member for Essex—Windsor, there is a note from the Canadian Federation of Students who were absolutely astounded by the impact that this legislation was going to have on education. If you followed this strategy and these amendments as structured, these students would be made even more vulnerable because it says that the only thing left for the federal government to do to improve health care is to take money from students and from faculty.

This also was raised by the Canadian Association of University Teachers. It found this most Draconian. It can take away equalization payments which are estimated to be $8.4 billion; the financing of the Northwest Territories estimated to be $1.41 billion; grants in lieu of taxes from the municipalities estimated to be $344 million; public utilities income tax transfers estimated at $280 million; statutory subsidies estimated to be $36 million; the cost of income maintenance and social services under the Canada Assistance Plan, $6.4 billion; crop insurance contributions estimated to be $207 million; formula under official languages estimated at $243 million; miscellaneous health and welfare, $170 million; young offenders services, $158 million; justice transfers, $77 million; transportation transfers, $69 million.

This particular strategy, if you follow these amendments, is to side step the most difficult question which is how do you properly finance the health care system?

This government was honest in its strategy. It said: "We are going to cut back to the provinces and we are going to take money from other programs to protect health care". That is an honest strategy. The second strategy is: "Let us ignore what is really going on and let us show people that we are trying to protect medicare. Let us forget about the fact that we are going to take money from other programs. Let them find out after". A good example of this is the strategy being followed by the NDP Government of Ontario where it is taking money from the health care system and closing hospitals. It knows the reality. It has to face this reality. It is not living in a dream world which is reflected in these clauses.

A more direct strategy would be to deal with the legislation in its entirety, to understand that the whole concept is wrong and to vote against the entire bill. To pick and choose a clause such as this is perpetrating, I would dare say, a fraud upon the Canadian public because members will be able to pick out these little speeches and say: "We are really fighting for medicare". In fact, they are destroying medicare and it should be stopped right here.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I would like to talk about the amendments.

One thing that is becoming very, very clear is that our national medicare program as we now know it in Canada is under attack. It has been under attack for a good number of years, starting in 1977 when the Liberals abandoned the concept of partnership with the federal government and the provinces and the 50/50 sharing of a national health care program.

They finally, in 1982–83, abandoned it further with the 6 and 5 program, when they curtailed the transfer payments to the provinces under EPF. They showed the Tories how they could attack the transfer payments on a systematic basis. Of course, the Tories learned very quickly.

One of things we have to look at is what is the implication for a national health care program. At this point in time in Canadian history, when there is a need and strong reasons for people wanting a national federal government, this government seems to be determined to ensure that in Canada, the national institution that people value most, which is our national medicare, is sacrificed.

It is the one thing that Canadians identify themselves with. When you ask a Canadian why they want to belong to Canada, one of the first things they will mention is our national medicare program.

What has this government done? It has started to erode the ability of the provinces to meet the five criteria set out in the Canada Health Act. The cutbacks that are now taking place that started in 1986, then went on to Bill C–69 and are now envisioned in this bill, will amount to $62.4 billion by the year 2000.

People should clearly understand that these cutbacks are not based on an escalating cost. The federal government is not obligated to match the cost. It was based on the concept of the increase in the Gross Domestic Product.

In other words, the increase would only be there as the economy increased. Yet, it has said in order to meet our responsibilities for national health care, it is not willing to have this increase continue in spite of the fact there will be a growth in the economy. It simply said it will be zeroed, regardless of the expansion of the economy. This means that there is a $62.4 billion loss to the provinces.

In the final year, it will equal $10.9 billion in that year alone. My home province of British Columbia will have lost over $5 billion by the year 2000, nearly one–half billion dollars in this year alone.

The impact on the weaker provinces has already been devastating. Newfoundland had to lay off 10 percent of its nursing staff. Other provinces have had to cut–out pharmacare programs, dental health programs for children and have had to curtail preventive health majors.

The government will also be in a position with these cuts that it will no longer be in a position to enforce the Canada Health Act because there will be no transfer payments of cash to the provinces, for some provinces as early as 1997 and for all provinces by the year 2004. That means the federal government will no longer be able to enforce their standards.

It has brought in what it thinks is a solution and that is to attach moneys to other programs. We did not even bother to make an amendment to delete it. That section is so odious we even are assured that the Tory backbenchers will rise up and defeat that section. There is no need to make an amendment to delete it. There is not even a Tory in this country who will stand up in this House and say: "In order to enforce accessibility to health care, we are going to take money from starving children under the Canada Assistance Plan".

An hon. member: The Liberals thought of it.

Mr. Karpoff: Yes, the Liberals thought of it. Not even the Tories will have the nerve to stand up in this House and support that they are going to take money from child abuse, investigation and protection of children in child abuse situations, to enforce a standard of accessibility. We do not feel this amendment is necessary as we are quite confident even the Tories will not have the nerve to stand in this House and pass section 4 of this act.

• (1230)

There is no way in this political climate in Canada that the question of federal spending powers is paramount and the ability to direct social programs on a national basis, or that the federal government is going to be allowed to either attach Canada Assistance Plan payments or equalization payments to enforce federal legislation into which it is no longer putting money.

There have been many legal opinions that simply say that section is unconstitutional, do not worry about it, it will never stand a constitutional test. Those constitutional tests are being readied.

With regard to this piece of legislation, I, like my colleague, sat in on many of the committee hearings. Group after group, as diverse as professional groups to community advocacy groups, appeared before that committee and every single one of them condemned this legislation. They condemned it because it is a betrayal of our national institution of medicare. They condemned it because the federal government's only solution to mismanaging the economy and the debt is to off-load that debt on to the provinces and to the provincial health care systems.

It has not saved any money by doing that. In fact, it has jeopardized the provinces' ability to take some innovative approaches to containing health care costs. The innovative approaches are there at the provincial level. All you have to do is look at the reports that have been done by a number of provinces, including the Seaton report done in British Columbia.

The provinces know that there must be certain areas of change within their health care administration. They are willing to make them, to put more emphasis on non-institutional care; to put more emphasis on prevention; to put more emphasis on support. However, they can only do so if they have dollars. This bill is designed to strangle the very foundation of our national medicare system and regrettably I think with it to strangle Canada as we now know it.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I cannot believe my ears this morning, that the New Democratic Party, rather than facing this debate head on is trying to set up a diversion. The member talked about all the various people that came to the finance committee to oppose Bill C-20. I found it interesting this morning and I stand to be corrected if he did mention this group, but I did not hear him mention earlier Dr. Michael Rachlis. He made his presentation to the Standing Committee on Finance, opposing Bill C-20 and the fact that it was probably not constitutional. The member failed to mention that, and Dr. Rachlis quite prominently declares that he is a member of the New Democratic Party. He also happens to be a constituent of mine. He has written a book, *Second Opinion: What's Wrong with Canada's Health Care System*, where he talks about the difficulties with the health care system in Canada. He wrote this book with Ms. Carol Kushner.

What I do not understand from the New Democratic Party is that it does not talk about the thrust of Rachlis where he says that there are some solutions if we would face this problem head on. Instead, the New Democratic Party wants to set up this diversion system where we start toying with taking funding from other programs. I do not think Canadians want us to rob Peter to pay Paul. If we are going to talk in this House about national standards of education, training and retraining, why set up a series of amendments where in order to look after the medical system of this country we are going to take away from the educational system. I think my colleague for Winnipeg North Centre was correct in saying that we are going to oppose these amendments. Hopefully we will have a solid, constructive and creative debate today opposing the government's Bill C-20. I hope in the process of debate we can come up with some ideas of where we can preserve and maintain the standards of our national health care system without bringing in all kinds of diversions.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I am happy to take a brief part in this debate. After listening to the two speakers from the Official Opposition I was hard put not to break into tears or throw up.

I am reminded of a famous time in the British Parliament in 1945 when Mr. Churchill brought in legislation to extend rationing of coal and fish. Aneurin Bevan, who is one of my political heroes and a famous democratic socialist from Wales by the way, stood up and said: "Mr. Speaker, England is an island of coal surrounded by a sea of fish and only the organizational genius of the right hon. gentleman could see to it that we had a shortage of both".

Canada is a nation that has the resources, the talents and the gifted people to raise the money and finance fully these various programs affected by this legislation. But only the organizational genius of this Tory government could see to it that they are reduced and undermined. We are trying to stop that.

The first speaker from the Official Opposition criticized us because there is one clause that my colleague, our spokesman on this bill, did not move to delete. That is the one to provide penalties to the provinces if they do not abide by the five principles of medicare. We happen to think that when a province tries to undermine any one or more of those five principles, it should be penalized. It should be penalized because there goes universality and there goes comprehensive coverage.

I find it appalling to see any Liberal or any Tory get up and talk about how much they support and are in favour of medicare. The gall and the nerve of them.

I was in Saskatchewan in 1962 when the Liberals and the Tories organized the opposition to the implementation of medicare in that province. They brought out thousands of people in front of the legislative buildings to oppose it. The doctors supported them and the opposing of the implementation of medicare in that province. They wanted to govern according to who could get the largest mob out even though the governmeBnt of the day was elected with a majority and the number one program was the instituting of medical care. I get sick to my stomach when I have to put up with listening to Grits and Tories who have made great talk about how they support medicare.

• (1240)

It was the Liberals in 1975 under the then Minister of Finance, the hon. member for Vancouver Quadra, who started it. They have the gall to get up and talk about how they are going to fight this bill and oppose it. They never have believed in it. They never have worked for it or supported it.

The same thing applies to the Conservative government. They are the same breed of cats. There is not any difference. The only difference is one is in and one is out. We have had nothing but the same nonsense.

Liberals tell me how they brought in national medicare in 1966. Do you know why, Mr. Speaker? In 1963 and 1965 there were minority Parliaments. It was people like Tommy Douglas and Stanley Knowles who said to the government: "You bring this in or we'll defeat you". They had to be dragged kicking and screaming into the 20th century.

They have convenient memories. They do not like to remember or be reminded. It does not matter which one is in. You have to force them into doing what is decent and civilized and yes even Christian.

I do not understand why any government would have the gall to bring in the cutbacks that are occurring. The Established Programs Financing Act in itself is governed by the fact that the provinces do not get an increase unless their population increases. Under the organizational genius of federal and provincial Tory governments in my province we have had a net outflow of people. Saskatchewan does not need this part of the bill because we are already going to get a reduction because we have had a reduction in population.

I was going to talk about have not provinces but nowadays all the provinces are have not. Ones that were looked upon as wealthy and which contributed the most money to equalization programs are in real trouble. The whole country is in the same boat.

The solution this government has is equivalent to R. B. Bennett of 1935 and then Mackenzie King right up until the declaration of war which is cut back and reduce. One Minister of Finance said to T. C. Douglas the then member for Weyburn: "The hon. member must think that money grows on gooseberry bushes". Within a week after the declaration of war the Liberal government of that day found the bush. There was lots of money. All of a sudden we were rolling in it to do anything and everything that needed to be done to prosecute a war. If any war was ever justified that one was.

If you were to take the national debt at the end of the Second World War and translate it into 1991 dollars it would be greater than the one we have now. If you took the deficit at the last fiscal year during the Second World War and translated it into 1991 dollars it would be equal to if not greater than the present one.

An hon. member: But we paid it off.

Mr. Benjamin: You're damn right we paid it off. Following the war we had to rebuild our entire economy. Our manufacturing plants and our municipal infrastructure all had to be rebuilt. All had gone through the dirty thirties and the wartime and little could had been put into them. We had full employment. When you have full employment people pay taxes. Within 10 years all those debts were paid off. Without a full employment policy no party or government can really do anything about our annual deficit and our debt.

There is so much that has to be done and needs to be done in this country. It hits you in the face every time you go back to your own constituency and your own province. There are scores of cities and large towns in this country that have a waiting list as long your arm for chronic care beds, senior citizen housing, low income co-op housing, sewer and water systems that are worn out and raw sewage that runs into our lakes and rivers. It all needs to be fixed. It means hundreds of thousands of jobs. A quarter of a million people could be put to work over the next 10 years just to clean up our air and our water.

The governments we have had since 1867 do not know what to do or how to do it. They have neither the courage nor the interest to do it because it is not in the interests of the corporations who support and finance them. I invite my hon. friends to read a little book called *The Unnecessary Evil*, not written by an NDPer but by Professor Rubin Ballen of the University of Manitoba. I invite members to read it. He throws into a cocked hat all the nonsense we have been getting *ad nauseam* about debt and deficits.

The cutting back that is going on now and that started with the Liberals in 1975 has been self-defeating because unemployment got worse and the debt got worse. He showed that up for the kind of nonsense it is.

I want to compliment my colleague for his amendments. They do what we think needs to be done with this legislation unless the government has the courage of its convictions and withdraws the whole damned thing.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I appreciate the opportunity to make some comments about the amendments that have been put forward. I take particular umbrage at my colleague for Regina—Lumsden who many times debates strongly in this House and did so just a few weeks ago dealing with the merchant mariners. It was an action I supported.

I cannot sit here and allow the NDP version of history to go into *Hansard* unchallenged. There are times in this House where you either sit back and laugh or you stand up and put your position clearly on the record. It galls me a little bit too much whenever I hear the self-righteous group to my left over here—they are truly to my left—getting up and trying to rewrite history. My goodness if we listened to the member for Regina—Lumsden, they were responsible for the sun shining in this place since the New Democratic Party was formed and prior to that CCF.

I have a great deal of respect for the CCF part and their traditions. I have a great deal of respect for some of the statesmen that party has produced like Tommy Douglas and Stanley Knowles who sits at this table as an honorary officer. But I take a great deal of umbrage at the hon. member trying to take credit for every single good measure that was put in by people like Lester B. Pearson, a Liberal Prime Minister and the protections that were given to health care in this country by the ministers and the government of Pierre-Elliott Trudeau.

An hon. member: When were they in office?

Mr. MacDonald (Dartmouth): One of my colleagues asks: "When were they in office?" They have not been in office. I am not illiterate. I read as much as I can about the history of this place and the history of the various political philosophies and how they unfold. If you listen to the New Democratic Party this Parliament must have been shuddering.

• (1250)

It must have been just shaking in its boots during that period when health care, medicare, came in here. It must have been waiting for the New Democratic Party over here to the left to come in and bang the desk and say: "Let's do this or otherwise you are going to be out of this place". Absolute nonsense.

It is absolute nonsense to take away the contribution of people like Pierre-Elliott Trudeau, Lester B. Pearson or Allan J. MacEachen who were the social conscience of this place and who were responsible for more socially progressive legislation than almost anybody who sat in this place. Monique Bégin stood against the provinces that were coming forward with user fees. The hon. member was here during that period.

If the member wants to get up and speak on the amendments and on the regressive nature of this bill, so be it. He has a responsibility and a right to do it. I also have a right to get up and put the record straight.

Anybody who reads the history of this place knows what I am saying is correct. It appears that it is fine for the hon. member to get up on his hind feet and to bay at the moon whenever a bill comes in here. Those members want to take credit for anything that was done by the Liberal Party.

He also has to understand that there have been certain actions taken by colleagues who wear his own cloth, his New Democratic colleagues, particularly in the province of Ontario, like Mr. Bob Rae, "Mr. Cut-cut". He comes in with a promise that everything is going to be fine in la-la land. He was going to pave every street and there were going to be two chickens in every pot. The New Democrats can do that.

What do they do? They come into the province of Ontario in a fluke. It was an absolute fluke that the people of Ontario elected a majority of New Democrats to the government. It was 37 per cent or 38 per cent who came forward and voted for the New Democrats. By luck they got in and it has been nothing but downhill since in Ontario.

I come from a part of Canada that has been a have not part of Canada for a long time. I am going to tell you right now, I think I would rather live in Nova Scotia than in Ontario led by Bob Rae and the New Democrats. There is a hospital a day closing. They are merging them, they are shutting beds down, they are denying help to those who need help the most in the province of Ontario.

Yet the New Democratic Party gets up here and wants to say: "Look, what we are going to have to do is to set the record straight. If medicare is good, we will take the credit for it. If UIC is good, we will take the credit for it".

Parliament must be changed because I am in this place and I certainly feel that I can get up and articulate my position on any issue I want. I look across here and we are always trying to advise the government about better ways to come forward with legislative programs. Sometimes it listens but most times it does not. It must have been a different place back in 1966 when medicare came in. We must have all had an NDP guardian angel sitting on our shoulder who used to whisper sweet nothings in our ears the night before. Then we would come in, do all that was right and just and the NDP would take the credit for it.

My hon. colleague, the minister opposite, said he was here at that point. He assures me that the New Democrats were not angels. I will leave it to my hon. colleague to explain what they were at that point.

Let us set the record straight. These particular amendments do not address the substance or the intent of the bill. It is fine to say take this away or do that. We are in favour of preserving medicare, and that is a very noble endeavour.

We fought for that since we introduced it and passed it in this place as Liberals in 1966. We will continue to fight for that.

To talk about making the poor poorer and giving the government the ability to walk in and start tampering with some other transfers for social programs which are equally as important to those individuals who have to rely on those transfers is irresponsible in my view.

It is fine for the member opposite from the New Democratic Party to come in here and to rewrite history in the 20 brief minutes he had. I would hope that anybody who is watching this debate will look at the substance of the bill. The bill is bad. The amendments put forward by the New Democratic Party are equally as bad because they ring hollow when put up to public scrutiny.

As for the explanations given by my hon. colleague who has delivered some masterful speeches on the right issues in this House and who has had my support on those occasions, even his fancy rhetoric cannot give depth and body to the shallow amendments that have been put forward by his colleague.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, it has been an interesting history lesson for the last 20 minutes from a variety of perspectives. I would like to comment on the speech of my colleague from Regina—Lumsden who has put it into the proper perspective.

I remember being a very young person at the time when medicare came in to Saskatchewan and if it had not been for the political courage of people like Tommy Douglas, this country would still not have a medicare program, and that is a fact.

The member for Dartmouth has just gone on about people baying at the moon. I think he should look in the mirror to get a good example of what baying at the moon is all about.

Medicare in Canada is something that all Canadians treasure. They see it as being uniquely Canadian, something they have worked and struggled for over a long period of time. During the depression many people were without medical care. My mother-in-law, who was a young girl in Saskatchewan then, had appendicitis and her family could not afford a doctor. If it had not been for her older brother picking her up and saying to her mother and father "she's got to get to the hospital", she would not be alive today because the appendix had broken. The situation for ordinary people at that time was that you simply could not go to a doctor because it was a choice between feeding your family or finding medical care. They left it too long. It was not a situation of not caring, it was a situation of not being able.

That has changed in Canada today. People can go to hospitals and can attend doctors, and we cannot see that eroded by the successive Liberal and Conservative governments.

We see delegations coming up to Canada from the United States over and over again to examine our medicare system. There is a bigger movement in the United States now asking for a medical system in the United States similar to the situation in Canada. What those delegations have discovered and what Canadians have discovered through those delegations is that our system of a national medicare program is far more cost effective than the system of private medical care in the United States. Not only is it fairer and not only do people have access to medical care, but it is more cost effective than the system in the United States. It saves money, it does not cost more money.

What have we seen in the last several years? In 1977, first of all, it was the Liberals who changed the cost sharing mechanism for medicare and EPF. They changed it from the 50:50 financing between the federal government and the provincial governments. That was the first step at eroding national medical care, and we can thank the Liberals for that.

After that Mulroney came to power in 1984 and what did he promise? He promised then to maintain transfer payments. He talked about a sacred trust for Canadians on social programs. In 1986 this government, the Conservative government, started its attack on EPF funding and medicare and post-secondary education.

In 1990 the Conservatives brought in Bill C-69 which froze the entitlements at the EPF levels of 1989 until 1992. Now we have Bill C-20 which extends that until 1994 or 1995.

These EPF cuts endanger our health care system and they endanger our post-secondary education system.

The impact on the country is huge. A freeze to the EPF, this bill, means a loss of over $97 billion by the year 2000. These are not little bits of money we are talking about, these are massive cuts in programs that Canadians have come to treasure.

What do the messages in this bill bring to Canadians who are waiting for hospital beds? In my province of British Columbia we have long waiting lists for hospital beds. We have a situation in which people who are waiting for heart operations are forced to go down to Seattle because there is not enough operating room time to take care of our own people.

• (1300)

These cuts, combined with the other Draconian policies of the Conservative government, mean a loss of over $5 billion to British Columbia by the year 2000. We are already in a critical health care situation. We already have people lined up. I get more letters from constituents who are concerned and angry because one of their family members cannot get into a hospital to get the required surgery with these waits and these line-ups. This is only going to get worse with the cutbacks and freezing of transfer payments.

This bill is actually a direct threat to the national standards as they are set out under the Canada Health Act. The people who are most affected by the cuts of the Conservative government, and this bill is just another example of that ongoing mania of cut, cut, cut, are women and children.

A subcommittee of the House of Commons is having hearings on the increased incidence of breast cancer for Canadian women and women in North America, the whole issue of reproductive health care for women, the whole issue of health care for children, and on Canada with over a million children living in poverty. These cuts are a further erosion of the services that women and children need from our society. This is opening the door for over-billing, for fee for services, for cutting services, for transferring insurance to private insurance, for creating in our country a two-tiered health system.

Women and children are always the hardest hit when health care becomes inaccessible. Single mothers and children make up the majority of lower income families. This government goes on with its tax giveaways to big business while all the time turning its back on people who need help most. It is turning its back on children who are living in poverty and children who are lining up at food banks for a basket of groceries with their mothers. The low income citizens and the middle class are always the ones who bear the brunt of Conservative policies.

This bill also attacks our post-secondary education system at a time when under-funding is already crippling Canadian universities. How can this government talk *ad nauseam* about economic growth, competition, competing in the world market on one hand while continuing to weaken the very institutions which can provide the training and technology that the people of Canada need in order to compete in the world markets? How can it continue to talk about equality for women while it reduces women's access to quality education?

Education will give women the opportunity they need to get into higher paying jobs and help to break the cycle of poverty for women. Women in this country still earn only 66 per cent of what men do for full-time, full-year work. This government is again slamming the door on women and slamming the door on young people, Canadians who will not be able to afford a university education.

My colleague from Regina said earlier that in the late 1930s when money was needed it was found to fight a war. The same thing happened in this House a year ago. Now we hear that there are no funds for child care, we hear that there are no funds for health care, none for social services. Money was found to fight the gulf war.

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired.

Mr. Mike Breaugh (Oshawa): Mr. Speaker, I wanted to join in this debate today because as we were planning it we thought it was significant that there be a major discussion about what will be, without question, a turning point in the history of this country.

The turning point is simply that the federal government is dramatically altering the role it plays in a variety of programs it shares with the provinces such as education, health care, housing and social programming. New ideas are just beginning to get developed around care for children and around issues that perhaps were not talked about a decade ago such as child abuse and the abuse of women.

Now we are just beginning to identify the problem and starting to put in place some programs that will rectify that. We all admit that they are the last programs in and so they will struggle for funding under normal times. This bill puts a beach head in place which says we should not count on the federal government to carry its fair share any more. It has abandoned that.

As I watched the debate, the first thing that struck me as being odd is why there are no Conservative members standing up to defend the cause. Then the answer became apparent. They did not need to. Their traditional allies are standing up defending their cause.

At one time it used to be said that Liberals were Tories in a hurry. These days, that is wrong. These days Tories are Liberals in a hurry. Where Pierre-Elliott Trudeau only wanted a six and five mandatory wage restraint program across the country, the Tories are not satisfied with that kind of peanuts, they want zero, absolutely nothing.

I recall being a health critic for the provincial party in the late seventies. The person with whom I argued at that time was a Liberal, Monique Bégin, a very fine person, but she put in place the Established Programs Financing system, block funding and a number of other variations to the traditional means whereby the federal government shared its costs with the provinces.

At that time in each of the provinces there was not an outcry but a warning that this would make it easy for the federal government to begin to retreat from its obligations. I recall at the time she said: "No, we would never do that" and then promptly proceeded to do just exactly that.

I recall at the time people were saying: "This is going to make it very difficult to get new programs in place because while we struggle with a restraint package from Ottawa, we have to kind of work with an existing system".

There has been a lot of discussion here today about the health care system in Canada. It is perhaps one of the foremost in the world. It is far from being a perfect system however. It struggles to adjust to new conditions, not just new funding, but new technology, new ideas and new concepts. That is understandable because people who are dominating the health care system in this country are trained in very traditional ways and have probably worked a long time to establish the kind of programs for health care that they know about and are familiar with.

When someone comes along and suggests to them that perhaps traditional care in a hospital bed is not the only way to provide care, they listen to those arguments with great caution. They are not terribly receptive to them. I would say it is reasonable to judge their performance as being cautiously accepting that as true, that perhaps there are community health centres that could do it in a more cost efficient way, but they are very cautious people.

To get them to change from one type of provision of care to another is going to take a little while, a little pushing and shoving and a little convincing. I think that process is under way.

The tragedy though is simply this: to accept what is in this bill, to accept what the Liberals and the Tories are so valiantly supporting this morning, is to accept that no new ideas will ever make their way to the forefront. It means wrecking one system to try to put in place another without providing any kind of transition.

That I think goes across the board no matter what kind of care you are trying to provide. If you are trying to provide some different kind of care for people who run afoul of the law and you do not like the prisons, which none of us do, and you do not like the traditional punishment approach, which none of us do, and you want to try something else, how do you get the something else in place? How do you provide the new model for providing care and counselling and treatment in place?

The truth is in all of our ridings. These things are happening but they are struggling. While many of us were happy to see an old prison system virtually taken apart, I think all of us would be equally unhappy at the moment that we do not have the reasonable financing in place to provide some alternative to that. We are stuck between the two.

Many of us are advocates of a great many things that have to do with the needs of women in a modern day society, providing child care, providing proper housing, providing some kind of counselling, providing some kind of retraining. All of us will be familiar that in our communities these ideas are just getting started.

• (1310)

I would not be thrilled with a government that said it is putting on the brakes to everything it has ever done in terms of traditionally providing health care for the very young or the very old. I would not be happy if it said it was stopping dead in the water on that and it was going to channel some money into new ideas. I do not think it can work that way. I believe that what we need is a sensible, rational and logical transition from one type of providing care to people to something that might look quite different.

In the end the different type of care might be more cost effective. In my view that is not the argument. The argument ought to be whether it is better care. It will be incidental that it will be done with fewer tax dollars.

The final argument that I want to make this morning is one of perception. I admit that right off the bat. Maybe it has not much to do with the reality of how you divide up the tax dollar. But it is incredibly frustrating for Canadian citizens in their own homes to read about a government preaching restraint that paid $104,000 to transport one person from Senegal back to Ottawa.

It is real tough for people in my riding who will not get an increase in whatever their benefits are this year and who struggle for the kind of programs that they desperately need to know that the Minister of National Revenue spent $10,000 to go and talk to the Rotary Club in Hamilton.

We think it is fine that he goes and talks to them. We think it is fine to provide adequate transportation for the minister to go back to Saskatchewan at $35,000 a crack. What we are struggling with is simply the notion of how in the world we can talk of spending that kind of money in one breath and talk about restraint for everybody else with the next.

If we saw you on the trains we would say it was great but that you probably should not be riding the trains all the time because you are tired. If we provide you with money to take commercial aircraft we would probably say it was all right. We understand you work hard and are tired and you need a break. Travel is a difficult part of political life.

What people do not understand and cannot fathom is how you can blithely go on spending money like that and preach restraint to them at the same time. In my riding this happens every single day. Someone walks in with an example of how government spends its money and then says that you have to be restrained in how you are provided with services.

That is what is wrong with this country. That is what these amendments attempt to propose. The debate has been interesting to say the least.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to make a few remarks about this bill. I would like to start by saying that I have experienced over the last couple of years my own husband being in and out of hospitals suffering from cancer. I cannot say too strongly how very important, valuable and cherished our Canadian health system is. This is despite the fact that this government and the previous Liberal government incidentally have continuously eroded the cost of federal funding. This in turn has caused provinces to cut back and take measures such as user fees and so on which are contrary to the Canada Health Act.

From personal experience it is wonderful to know that when you are under stress that you do have a secure health system and that there are not going to be a lot of bureaucratic hassles and worry about paying bills and cuts in services that are absolutely essential.

On the other hand I can also say from personal experience that it is deplorable to know that at this time certainly in British Columbia, and I am quite sure it is the same throughout Canada, there are wards of beds that are empty because hospitals cannot afford to finance adequate services to use the facilities to capacity. There are wonderful health care workers, including nurses and others, who continue to provide highly professional caring and services. I certainly commend them.

On the other hand they are overworked. There is no question about that. There is not enough staff. There is the whole question of para-professionals which in our provinces have been cut back. They have a significant impact on the extent and nature of the services.

As my colleague from New Westminster said, there are long waits for operations and for specialized services that are needed. In British Columbia we are also very concerned about the new commission appointed by the previous government. Interestingly enough, it recently came out with a report advocating some very positive reforms in health care services such as the kind of delivery services where we should be giving much greater emphasis to community based services and to prevention. It also advocates home care support so that institutional services which are often not as personalized and that are certainly more expensive will not be used to the same degree.

There are many reforms needed but we must have the finances to maintain and replace services that have been cut and to consider new kinds of community support services.

What is this government doing? There is no question that this government, which has cut back I believe four times in health care financing, has taken over $42 billion from Canada's health care services. This includes the cuts that will be forthcoming if this bill passes. Forty-two billion dollars will be taken from Canadian health care services.

I wonder how that will impact on the services for your family and mine and for Canadians across the country. It will have a devastating impact. I notice in some of the notes I have here also that we asked for the comments of the present minister of health. I will quote from a comment that was made on May 28, 1991 when he was being questioned about user fees as far as medicare is concerned. This was in relation to Quebec's plan to introduce a user fee for emergency ward services. He responded at that time as follows:

> If you charge a user fee I fear that poor people will not go for the service because they will fear having to pay money. I will never accept two health systems; one for the poor and one for the rich.

That is a risk that is happening and he is absolutely right. The Minister of National Health and Welfare goes on to say: "If there is anything against the law I will act".

I would think this minister then should be acting very strongly to oppose this present bill which will cut the EPF funding for health care services and also for post-secondary education which is another very serious concern.

He should be the first one up on his feet saying that he does not support this bill. It is a very sneaky way of cutting back on funding because it means that health care services are eroded over a five-year period so that in effect EPF funding is removed altogether.

A brief from the Canadian Nurses Association to the Standing Committee on Finance stated that Bill C-20 represents the fourth successive attempt by the government to limit the federal role in medicare. It says that the cumulative effect of these changes is set out in a table which it provided and which shows that $42 billion will be taken from health care services by 1992 by the Conservative government.

We know also that the previous Liberal government said today how strongly they support medicare. I have a great deal of respect for the previous minister Monique Bégin. But even Monique Bégin when she was minister allowed block funding and the bills that established EPF funding to go through. Of course she found later that she had to defend very strongly the federal position and put some limits on provincial funding until they would adhere to the terms of the Canada Health Act.

I would like to remind people that the Canada Health Act which Canadians are so proud of is a goal that many Americans would love to see for their country. It established five principles for health care and they have worked well in this country. We have one of the best health care services in the world. We also have one of the most economically feasible health care systems.

• (1320)

Those five principles were universality, accessibility, comprehensiveness, public administration and portability so that we would not have a different kind of health service in different provinces as a person moves from one province to another. These are very sound principles that have been put to the test over the years since the Health Care Act was first introduced.

It is a tragedy and I hope that Canadians will realize that Bill C-20 and the kind of bills that were passed last year which eroded health care funding are eroding the basic Canada Health Act. It will be literally impossible for provincial governments to maintain universality, accessibility, portability, comprehensiveness and public administration in the way that it was intended under this act if they do not have the financing from the federal government to assist in doing this.

We have seen provincial governments bringing in user fees and using other means to cut back on access to health care partly because they do not have adequate funding.

I would like to mention some of the points that were raised at the finance committee by the health care advocates of British Columbia and I commend them for the brief to that committee. It is an excellent review of the evolution and the devolution of health care services in Canada. They point out that the principles of Canadian medicare as set out in the Canada Health Act must be preserved.

The Conservative government has deepened these cuts to the point where federal cash transfers for medicare and post-secondary education will end in a few years. These are not just cutbacks. It likes the public to think it is just cutbacks because of the deficit situation. Of course the Conservative love to blame social programs for that deficit.

The public needs to know that it is not just cutbacks. It is the actual demise of medicare and of post-secondary education funding as we know it over the next five years.

The health care advocates of British Columbia go on to say that the federal government passed the Medicare Act in 1966 under which it had agreed to fund half the cost of the provincial medicare insurance plans. Within six years every province had set up a plan that met these national standards. It is so important to maintain the national standards under our constitutional reforms that they are being debated as well. We must make sure these are maintained in our future programs.

Medicare has not only been one of the most important social programs in Canada, it is a point of pride and it is what makes us different as Canadians. It makes us proud to be Canadians and it brings unity to this country, a unity that is being eroded by this very bill. I know Canadians do not want that.

We are proud that our health care is the best in the world. In contrast the United States has more than 30 million people who lack health care. In Canada we have health insurance coverage for everyone. Some people will say it is too expensive. On the other hand if we look at the facts 9 per cent of Canada's gross domestic product is accounted for by health care whereas nearly 12 percent of the GDP in the United States is taken up by health care.

It is economically very fair. We must vote down this bill. My colleague had presented amendments in order to try alleviate the impact of this bill. It is a deplorable situation. I wish I had time to elaborate on the post-secondary education.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, it is a pleasure to be able to enter into the debate today even for a short time on this very important legislation.

The government is slowly chipping away at the health and post-secondary education system that we set up in this country. It is chipping away at it and it is doing it, as my colleague from Vancouver East said, in a very sneaky way.

Do you know why? Let us take a look at what six pages of legislation are going to do. They are six pages in a bill called C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991. Unfortunately these six pages sum up what this government is doing to health and post-secondary education in Canada. It should be ashamed of itself for bringing this kind of legislation into the House.

I appreciate that members of the New Democratic Party are here today debating this bill and defending one of the cornerstones of what makes Canada what it is. One of the pillars which make Canada such an important and wonderful place to live is the health care system we have developed here.

To members on the opposite side who are critical of medicare and what it means, I suggest they go down to the United States and tear up their medicare card. I dare them to do that. They know that they will not do that. We have to defend medicare against this government and other parties that are doing their best to destroy the health care system.

There are a couple of other points that are important about what this government has done and what it is carrying on with. Under the Liberals in 1977 the system was changed from a system which basically tagged and identified the transfer of funds from the federal government to the provinces in the areas of post-secondary education and health to what is referred to as block funding. Provinces can basically spend the money on whatever priorities they see fit.

Allegations have been made that a number of provinces use federal health and post-secondary funding to pave highways and what have you. It is alleged that the previous government in British Columbia, the cousins of the government members here, used some of those funds at that time to finance boondoggles like the Coquihalla and other aspects like that.

To try and clarify that I asked the Secretary of State during a debate in the House if he could tell this House and give assurances to Canadians that when the federal government did transfer the federal funds for health and education, those funds were spent on health and education. The Secretary of State of the day said that we would have trust him that that was the case.

If the Canadian public, the taxpayers, knew that the Government of Canada transfers to the provinces some billions of dollars, and yet the minister responsible for that could not tell this House for sure that the money was being spent on health and education, I think taxpayers of this country would demand accountability from this Parliament. They would demand that we be able to tell them what we are going to do.

That changed from 1977 under the Liberals when they brought in block funding. I suggest that the Parliament of Canada should return to a system of a 50/50 funding basis, equal partners in the delivery of health and post-secondary education in Canada.

I think there is an obligation on the part of the Government of Canada to explain and to account to Canadian taxpayers for where that money is going. Usually, the argument we have from the federal government is: "Well, we do not get enough publicity out of it. We do not get to put our four by eight signs up".

• (1330)

I say that it is its own fault if the government cannot get enough publicity out of the money it spends on post-secondary education and health in the provinces. If you look at the statistics from my own province where transfer payments are going down and in which the former government was leading a fight against this government, you can see the impact that the federal role has. I accuse this government of not having the brains to try and explain to Canadians just what kind of federal involvement there can be. What we are seeing is the reverse. This government is making every effort it can to see that our health care system and post-secondary education system do not get the assistance and help they need.

We all have personal experiences concerning our contact with the health care system. I have had it this year and have gained some understanding of what it means when a member of your family has to use our health care system. In one particular case in my family the system reached the point at which this member has to go to Seattle now for health care. It is incredible that my father would have to go to Seattle to get cancer treatment because there is not room or enough facilities for him in Canada.

The members opposite sit here and heckle and talk about how they are not destroying health care. I dare you to say that to my father in Seattle today. I dare you to say that, because that is what is happening under right wing governments like this Conservative administration and like the Socred administration. Hopefully the new governments that have been elected across this country provincially, and especially in British Columbia, will result in a revolution in health care in which we can develop health care standards that are necessary to ensure that Canadian citizens continue to receive the medical treatment they need.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I rise today to speak on this bill. A lot has been said about the health care and the post-secondary education clauses in this bill, but not a lot has been said about clauses 8, 9 and 10 in the section of this bill that addresses the increase in the UI premiums. I know a lot of people think this is a *fait accompli*, that no more discussion should be undertaken and nothing should be said about it.

I notice a lot of government members are throwing remarks across the floor. They are not obscene remarks, they are taken in good nature, but I do not see any of the members rising to make any public statements on any of these clauses or on any of our arguments. Why do they not get up and say something if they have something to say? They just sit there and would rather just ramble on.

The increase in unemployment insurance rates is something that is severely affecting all of the country. We see the number of lay-offs, the number of bankruptcies, the number of people who are just being put out of work and the number of companies and grocery stores that are closing because they just cannot take any more taxation. We see increases with the GST and now with this 7.1 per cent increase in UI premiums it means that more people are going to be laid off.

What is the effect? There are so many people out of work now that the unemployment insurance system cannot keep up. Last year in June we saw an increase of 24 per cent in UI premiums. The then Minister of Finance said that the government would meet any shortfall the system may have, but not six months later we saw a 24 per cent increase. Now we see another increase of 7.1 per cent which is going to take effect this year.

The original Unemployment Insurance Act, section 48.1 reads: "Notwithstanding section 48 the rate of premiums that persons employed in insurable employment are required to pay on each of 1990, 1991 and 1992 is 2.25 per cent of insurable earnings in that year".

We heard, as I mentioned, the Minister of Finance say that the government would make up any shortfalls that may occur. Then we saw a few months later a 24 per cent increase. That was in June.

Now it is December and we see an increase. Why are there these continuous increases? It is because more and more people are being put out of work, so more and more people are collecting UI benefits. Fewer and fewer people are paying into it.

It is a vicious circle. We are never going to catch up unless we come up with a plan, a program, that is going to create employment. That is the answer: full employment. Then the UI system will not have to be subsidized by anyone.

The way we are going now, we see more and more people being laid off. We see more and more people collecting UI. It is never going to end.

The amendment which is being proposed by my colleague from Essex—Windsor is one that will rectify a wrong. It will force the government to abide by the statement that was made by the finance minister that day when he said the government would make up any shortfalls.

We cannot allow this to continue. Regarding the government's economic policies and its fiscal restraint policies, it is telling everyone else that they have to cut back and it does not. The government wants to pull back any funding that it puts into any program and it wants to wash its hands of everything and it wants the taxpayers to take up the slack that its failure is causing.

We need fiscal responsibility and it has to start on that side of the House. We need a government that is going to show some confidence in this country because there is no more confidence in this country. The morale in Canada is so low that everyone wants to move away. Where are they going to go? Where are they going to go to work? There is a grocery chain in Timmins, a local company which has been there for 30 years, which just announced last week that it is closing. It is closing right down completely.

The food banks are growing. There is something wrong. People do not have the money to spend on groceries because they are not working. Mines weekly announce they are closing, they are laying off personnel. If something is not done soon, there will be no more mining industry.

It is time that Canadians realized that something has to change and that message has to be relayed to the government. This bill, Bill C-20, which allows the government to withdraw all funding from just about all programs is not acceptable.

I hope that when we get to vote on clauses 8, 9 and 10 of this bill, we all rise and support these amendments put forward by my colleague from Essex—Windsor. It is clear to me that employers and employees cannot afford any more taxation of any kind if we are going to survive. If we are really sincere about creating jobs I think this government has to start spending some money in the right places.

There is no doubt in any Canadian's mind that we have to pay taxes in this country. We are willing to pay those taxes. How the money is spent is what we do not like. If the money is spent in the right place, we will not need subsidization. We will not need the government to bail us out all the time because we will have a system in which money will be regenerated and turned back into the organizations creating this money.

In conclusion, I hope that when we get to the amendments of clauses 8, 9 and 10 of Bill C-20, we all rise and support them.

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

• (1340)

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

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8), a recorded division on the motion stands deferred.

The next question is on Motion No. 3. Is it the pleaure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8), a recorded division on the motion stands deferred.

The next question is on Motion No. 4. A vote on Motion No. 4 will also apply to Motions Nos. 5 and 6.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8), a recorded division on the motion stands deferred.

The House will now proceed to the taking of deferred divisions on Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, as reported (with amendments) from the Standing Committee on Finance.

Call in the members.

And the division bells having rung:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 45(5)(a), I have been requested by the chief government Whip to defer the division until a later time, three o'clock this afternoon. Accordingly, pursuant to Standing Order 45(8), the division on the question now before the House stands deferred until three o'clock p.m. later this day at which time the bells to call in the members will be sounded for not more than 15 minutes.

Mr. Hawkes: Mr. Speaker, there have been some consultations and I think you will find a predisposition in the Chamber to suspend until 1.59 this day, which means we will come back in time for Statements Pursuant to S. O. 31 and Question Period. Then we will have the vote and then proceed with the next item on Government Orders.

SUSPENSION OF SITTING

The Acting Speaker (Mr. Paproski): Is it agreed to suspend the sitting?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): It is so agreed.

The sitting of the House is suspended until 1.59 p.m.

The sitting of the House was suspended at 1.42 p.m.

SITTING RESUMED

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

VIOLENCE AGAINST WOMEN

Mr. Bob Wood (Nipissing): Mr. Speaker, this week marks the first annual white ribbon campaign. The campaign has been organized to help end violence against women and to heighten the awareness of men to this ever-growing problem.

Violence against women takes many forms, including physical and sexual assault, psychological and emotional abuse. It also threatens women of all ages, culture and backgrounds. When we look at the recent rash of violent acts committed by men against women it would seem that the word "civilized" is not part of our vocabulary.

Women are being gunned down, knifed, and beaten in record numbers but this is not a new phenomenon. It has been going on for quite some time.

I would encourage my male colleagues in this House, and all men across Canada for that matter, to take a leadership role in stopping this madness. It is up to us to give victims some hope. We must challenge conventional attitudes and behaviour. We must instil in our youth a new way of looking at humanity. We cannot stay silent any longer because, as with other atrocities, we become as guilty as the offender.

This week has been designated to raise awareness of the issue, but we cannot forget about the remaining 51 weeks in the year. I hope all men will wear a white ribbon to indicate their support for this cause. The country may not be covered with white snow, but we can cover it with white ribbons.

* * *

ST. ANDREW'S CHURCH ON THE RED

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, today I would like to congratulate the efforts of the congregation of St. Andrew's Church on the Red.

The people of this church under the leadership of Father Stephen Sharman and with the help of the Government of Canada are about to begin the restoration of the oldest stone church in western Canada.

At a time when we are all concerned about where we are going, it is important to know where we have been. The efforts of the people of St. Andrew's on the Red will assure us of this very important part of our history.

* * *

VIOLENCE AGAINST WOMEN

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, it has now been two years since the tragedy at the Ecole Polytechnique in Montreal. Since that time the war against women has continued. Men continue to abuse, neglect, harass, assault, and murder women. We as men must take on the work of educating ourselves in order to understand sexism and speak out and challenge sexism in our daily lives.

We must work to pressure governments to increase funding for rape crisis centres, for shelters for battered women, and for comprehensive educational programs for men in positions of authority such as the judiciary, police departments and, indeed, in this House.

Men must take responsibility for the violence they have perpetrated in our homes and in our streets. This week is a time to commit ourselves to change, to speaking out, to helping out through donations and action. This week hundreds of men have worked to initiate the white ribbon campaign. Men across Canada are urged to hang a white ribbon from their house, their car, or at their work place, and to wear a white ribbon.

The white ribbon symbolizes a call for all men to lay down their arms in the war against our sisters. We must heed that call.

* * *

VIOLENCE AGAINST WOMEN

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I would like to join my two hon. friends from across the way on the same topic.

I do not think any caring Canadian men can condone violence against women. What is difficult for many of us is to accept the premise that all men, including those who would never lift a finger against anyone, are partially responsible for this violence. This is the rationale behind the white ribbon campaign which runs from today until this Friday, the second anniversary of the tragic and troubling Montreal massacre.

I rise today as one man in Canadian society to say that I fully accept my responsibility to try and be a part of the solution to this problem. The best result of this campaign will be an increased awareness among all of us that sexism in any form, from jokes to harassment to violence itself, is unacceptable.

It is time that the least we can do is say that we are all very sorry.

HOSTAGES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, we in this House are very happy that the American hostage in Lebanon, Joseph Cicippio, has been released today. He was freed hours after Israel released 25 Arab prisoners.

There are only a few western hostages left in captivity and we have hopes that their ordeals will end in the coming weeks, if not days.

Besides the increasing good will developing in the Middle East, the key to their release has been constant pressure and relentless efforts by the international community.

Unfortunately, our joy is not complete. A Canadian woman, Mrs. Henriette Haddad, has been held hostage in Lebanon for more than six years. To this point, despite meetings with the family, the minister responsible for external affairs has refused to even put Mrs. Haddad's name on the list of hostages.

As the family told my colleague, the member for Winnipeg South Centre this week, the Canadian government does not even acknowledge that Mrs. Haddad is a hostage.

Our government has a duty to stand up for our citizens, as we have seen the American and other governments do over the hostage takings in Lebanon. We want Mrs. Haddad to be freed and we want the Canadian government to demand international pressure for her release as soon as possible.

* * *

[*Translation*]

UKRAINIAN INDEPENDANCE

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, the Ukrainian community of my riding welcomed the results of the independence referendum in their home country with great pride, joy and hope. This democratic exercise gave the Ukrainian people an opportunity to clearly express their sovereign will after 350 years of injustice and forced union.

Of course, President Gorbachev made threats. "Without Ukraine, there is no union, and without union, there will be neither social peace nor market economy and the country will sink into ethnic strife and anarchy", he said.

Instead, we see a new democratic country being born, one that is open, tolerant toward its minorities and ready to associate on a normal basis of mutual interest rather than in a dominant/dominated relationship.

I hope that Ukrainian independence will be recognized immediately by Canada and all countries in the world.

I also wish to deplore our government's decision not to include the hon. member for Calgary Northeast, who is of Ukrainian origin, in the Canadian parliamentary delegation to supervise the referendum, even though he was officially invited and he is a knowledgeable observer of Ukraine's democratic evolution.

* * *

[*English*]

NATIONAL WILDLIFE STRATEGY

Mr. Ken Monteith (Elgin—Norfolk): Mr. Speaker, another step toward Canada's green future was taken last Friday with the launching of the National Wildlife Strategy. The strategy, part of Canada's green plan, will protect wildlife diversity, conserve wildlife habitat and safeguard healthy ecosystems.

Efforts to recover populations of endangered species will be stepped up. Plans are in the works to identify habitat to protect national wildlife areas and migratory bird sanctuaries. Significant wetlands will be protected.

Research schedules on wildlife diseases, ecology and toxicology will be accelerated. The new National Wildlife Strategy goes hand in hand with new legislation before the House. The Wild Animal and Plant Protection Act is designed to protect wildlife, particularly endangered species from illegal trading and poaching. Several partnerships are emerging to save wildlife and wild places.

Governments, community groups and individuals are all working toward that common goal. The federal government is proud to be part of such a widespread commitment to wildlife.

I urge all members of the House and all Canadians to support these and other green plan projects contributing to a healthy environment.

* * *

GOAL 100

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, Goal 100 is a pilot project in employment partnership developed under the Industry Education Council in Hamilton. This project is geared to improving the success and cost effectiveness of employment related services for people with disabilities.

Small businesses under the leadership of Don Fell of Fell Fab Products in Hamilton have a remarkable commitment to this initiative. Twenty of these business champions aim to find 100 jobs for people with disabilities by the end of 1991.

• (1410)

The employment consortium evolved around this project is unique in Canada. Six sectors—employment, labour, service, consumer, education and resources—are identifying problems and opportunities, and co-ordinating existing federal, provincial and regional programs.

There are approximately 25,000 disabled job seekers in the Hamilton—Wentworth area. With the help of companies involved in Goal 100, many of these people will be able to leave the welfare ranks and join the employment ranks.

Congratulations to Hamilton business persons for their efforts in enabling disadvantaged individuals to become productive workers in today's and tomorrow's labour market.

Let them stand as examples to other employers—

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

* * *

[*Translation*]

INDUSTRIAL DEVELOPMENT

Mr. Guy St-Julien (Abitibi): Mr. Speaker, Premier Bourassa deplores the accusations of favouring Quebec that circulated last week in the Commons following the announcement of an industrial development agreement between Quebec and Ottawa. He says that such charges are completely unjustified. From this September to next June, $2.9 billion will be given in agricultural assistance for the grains sector, mainly to the western provinces. Mr. Bourassa pointed out that this will bring the total for this kind of aid since 1985 to $20 billion. "No paltry sum", said he.

For several months, the Conservative members from Quebec together with the Minister of National Health and Welfare have shown the Cabinet that Quebec is entitled to its share for economic recovery in that province.

The statements made last week by NDP members, a Liberal member from Newfoundland and the Reform Party in Ottawa are a lot of nonsense.

* * *

[*English*]

UKRAINE

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, yesterday, December 1, approximately 80 per cent of Ukrainians voted yes in a referendum which affirmed the Ukrainian Parliament's August 24 declaration of independence.

Over 6,000 Canadians of Ukrainian descent who live in my constituency of Parkdale—High Park call on the Canadian government to recognize Ukrainian independence today, and to begin establishing full diplomatic relations.

Mr. Kravchuk, on his recent visit to Canada, assured us that nuclear weapons in Ukraine will remain under the control of a collective interdependent defence alliance until they are fully dismantled. He said that his independent Ukraine will guarantee equal rights to Russians, Jews and other minority groups.

I recommend that the government bring in a resolution to this Chamber today recognizing Ukraine as the world's newest independent nation, representing 52 million people and Europe's fourth largest geographical area

* * *

NATIONAL UNITY

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, there are many unsung heroes working diligently to promote the unity of Canada.

One of them is Jim Taylor of Toronto in his billboard campaign, now travelling through Atlantic Canada. He gained great support in my riding last Friday for his declaration: "My Canada includes Quebec".

Another is a group of singing and dancing students from Fredericton called "Characters Incorporated". Over the past several months, they have toured large parts of our country to inspire pride in Canada through their outstanding performances.

Along the way, they have collected an impressive tribute of signed commitments to Canada from many corner of the country. In due course, they will be presenting that tribute to Parliament through the Prime Minister.

These kinds of initiatives represent the power of public opinion. People do care about Canada, and purposes like these should be encouraged and supported at every stage in the constitutional cause. May every Canadian follow these examples.

* * *

UKRAINE

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, over the weekend, the people of Ukraine made a historic decision. My colleague, the member for Edmonton East, who was in Ukraine as part of a Canadian delegation to observe the elections, confirmed this morning that the people of Ukraine have overwhelmingly chosen to chart their own destiny.

This decision is being celebrated not only in Ukraine but also by hundreds of thousands of sons and daughters of Ukraine who live here in Canada.

I urge the Prime Minister and the Secretary of State for External Affairs to make sure Canada is among the first countries to give official recognition to this most recent addition to the world community of independent nations.

Now is the ideal time for the cultural and economic links between our nations to be strengthened. I can think of no better way to celebrate the 100 years of Ukrainian settlement in Canada than by reaffirming the historic links between our countries today.

Today is a pivotal day for the people of Ukraine. Let us make sure that Canada is there to assist them in the challenges ahead.

NORTHERN TAX BENEFITS

Mr. Albert Cooper (Peace River): Mr. Speaker, last week on a tour of the Peace country, Preston Manning, leader of the Reform Party of Canada announced his party would abolish northern tax benefits.

For many years, many of his strongest supporters made themselves rich by taking the profits from our oil and gas fields home with them. Northern benefits have let the hard working people of the north keep just a few of those dollars at home.

I call on Preston Manning to stop listening to the guys with the bucks and help those without. The northern benefits puts money in the jeans of the men and women who toil in Canada's northern communities.

I will be contacting reeves, mayors, MLAs, MPs and other northern community leaders. Getting the northern tax benefit was only half the battle. Now the fight is to keep it.

* * *

[*Translation*]

EASTERN ONTARIO'S ECONOMY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, last Friday, the Maurice Lamoureux egg candling centre of St. Isidore closed its doors, with the loss of 34 jobs in my riding. It is the second time in a month that St. Isidore de Prescott, with a population of 500, has been hit in that way. This shutdown is in addition to several others in Glengarry—Prescott—Russell.

I take the opportunity today to repeat the request I made many times in this House. Eastern Ontario needs a regional development program to fight chronic unemployment in our area. My constituents and I are still waiting. They are waiting for a favorable response from this government.

[*English*]

CHRISTMAS SEALS

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, I wish to announce details of the Canadian Lung Association's annual Christmas seal campaign.

The Lung Association, Canada's oldest national voluntary health organization, was formed in 1900. Although its early focus was with the prevention of tuberculosis, there are now other serious lung diseases that demand its attention. Deaths due to asthma have increased 163 per cent among people of the ages 15 to 34 since the early 1970s.

The Lung Association aims to improve these serious health conditions in Canada through research, education, patient services and the promotion of healthy living. The country-wide annual Christmas seal campaign represents the major financial support for the work of the association.

In London—Middlesex the Lung Association has helped 25,900 people: asthmatics, chronic lung disease, students smoking cessation program, a resource library, et cetera, with 180 volunteers. They would like to have more. Dedicated professionals such as Dr. Neville Lefcoe and others at Victoria Hospital are certainly working actively in this field.

The Lung Association of Canada has initiated the appreciation program for tobacco free pharmacies.

* * *

[*Translation*]

LEADER OF OFFICIAL OPPOSITION

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, yesterday, the Leader of the Opposition made some statements about referendums. He suggested that a referendum be held on the same day that Quebec holds its referendum. He added that if English Canada said no in that referendum, the status quo would prevail. "We will have the Constitution that we have", he said.

A referendum is not a game. The Leader of the Opposition should stop annoying Quebecers unnecessarily. A referendum law is a way to break a deadlock, to use "in case". It is not to provoke Quebecers, much less to force them into something.

Furthermore, the Leader of the Opposition must understand one thing: You cannot hold a national referendum and if it fails pretend that nothing happened. There will be no third chance.

* * *

[*English*]

STANLEY KNOWLES

Mr. Rod Murphy (Churchill): Mr. Speaker, on November 30, 1942, the residents of Winnipeg North Centre sent Stanley Knowles to the House of Commons. He is still here and he deserves our congratulations and our appreciation.

As a young person growing up on the outskirts of Winnipeg, I knew very little of party politics, but I heard many people talking about Stanley: Stanley for decent pensions; Stanley for working people; Stanley for poor women; Stanley for the unemployed, dispossessed, the forgotten of our society. Stanley Knowles was a symbol then. He is an institution now. He represented and still represents a philosophy of service, of dedication and of sacrifice to others. Stanley Knowles was defeated just once, but even during that break he continued to work for the cause of social justice. Now, as he starts his 50th year in Ottawa, we, along with many other Canadians, express our best wishes to Stanley Knowles, a true person of the people.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to ask a question of the Prime Minister.

Today, the premiers of New Brunswick, Ontario and Manitoba, who represent all three national political parties in Canada, came together to urge the federal government to stop ignoring the economy and to convene an immediate First Ministers' Conference on the economy.

• (1420)

Will the Prime Minister immediately convene a First Ministers' Conference on the economy as requested by these three First Ministers.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of Finance will be meeting with provincial finance ministers on December 12 and 13 for two days of intensive consultation precisely in regard to economic matters.

I have been holding bilateral meetings with first ministers, Premier Bourassa, Premier Rae. I will meet with Premier Romanow, Premier Harcourt, Premier Getty, and Premier Wells next week and will be making sure that during this cycle that we meet with all of the first ministers.

I will certainly be guided by their advice and be guided as well by the advice of the Minister of Finance after he meets with his provincial colleagues for two days of meetings and gives us a recommendation in regard to the usefulness and the effectiveness of such a meeting.

Therefore, I will be happy to report back to my hon. friend just as soon as these meetings are concluded. We will obviously do what is the best for Canada.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Today, Mr. Speaker, 650,000 men and women must count on food banks for their daily bread. These people cannot wait any longer. Last week, the Prime Minister had a meeting with the premier of Ontario, and after that meeting, the premier of Ontario asked for a conference. Doesn't the Prime Minister think it would be time to show that he is very concerned that in a country like Canada, these people have to go to food banks? Is it not time to give them some hope and get all the Premiers together to find a way out of the recession?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, of course I want to give them hope, but not false hopes. Today interest rates in Canada are dropping. The inflation rate is going down. The IMF and the OECD have indicated that next year, Canada will rank first among all major industrialized countries in terms of economic growth. These are encouraging signs, despite our current problems. I would say that a lot depends on expenditure control and borrowing at the provincial level.

Even if we do have a meeting, I intend to examine very carefully, with the premiers and in public, the growth rate of their expenditures and loans and compare it with the federal government's record. I think you will see that the federal government has shown strong leadership in this area, and if we can persuade the provinces to follow our example, the economic recovery already under way will be stronger and more durable.

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I think the problem we have had with this government is that for the past two years it has told us that it was to be a very short-term recession. Now we are in the second year, virtually a complete second year. Some 145,000 people had to go to food banks in Toronto alone last month and almost half of them were children.

When will this government stop fighting inflation and look at the other side of the coin. People in Canada need jobs in order to stop going to food banks. When will this government stop fighting inflation and concentrate on finding jobs for people?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, may I remind the hon. Leader of the Opposition that 108,000 new jobs were created in the months of September and October. We have today the composite index from Statistics Canada which records the sixth consecutive increase in the outlook. That is a broad measurement of the economy. It takes into consideration some 10 different components, all the way from the stock market to furniture.

The other thing that should be noted is the fact that in the third quarter, while the growth was not as strong as we would have liked to have seen it, in the goods producing sector, there was a 5.2 per cent growth. I think that should be signs for encouragement, a 17.2 per cent increase in residential investment, the increase in jobs, the continuing reduction in interest rates, the continuing decline in inflation which will provide the lower income

groups and the people on fixed incomes with that kind of security.

So it is not all gloom and doom. I think we are poised for a good rate of growth in 1992 as reflected by the projection of the IMF, the OECD, the Conference Board of Canada and others.

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, my question is for the Minister of Finance. October was yet another milestone for this government.

[*Translation*]

We now have a record number of bankruptcies and people who are obliged to use food banks. Among those who do, one out of five lost his or her job last year and has exhausted his or her unemployment insurance benefits.

Will the minister admit that his government's cuts in unemployment insurance have caused a transfer of this social burden to charitable organizations?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, obviously any bankruptcy is disturbing. We are, of course, concerned by the level of bankruptcies. The fact of the matter is with interest rates declining, the fact that it seems to have bottomed out, there are indications that we have seen the worst in terms of bankruptcies and we continue to look at some positive trends. The most positive trend is the continuing decline in interest rates.

I might say that this recession compared to 1981-82 in so far as bankruptcies makes this look very mild by comparison.

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, my supplementary is for the same minister. When the Minister of Finance told the country to expect little improvement in the jobless rate for yet another year, thousands of Canadians were left to calculate how long they could hold out before declaring personal bankruptcy and join the crowd at their local food bank.

I ask the minister to announce that his government will no longer disown the unemployed and the poor and will now try to rescue the casualties of the Tory fiscal plague.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as I have indicated, 108,000 new jobs were created during the months of September and October. It is expected that over 300,000 new jobs will be generated in 1992. The combination of that without the increase in the labour force, the expansion of the labour force, would result in a 2 per cent decline in the unemployment rate.

However, because of the large participation rate that the Canadian work force is involved in, it becomes a much more difficult challenge. I remind the hon. member that in terms of participation, Canada has the highest participation rate in the labour force of any country in the industrialized world and so our challenges are therefore greater.

I repeat, we must get the fundamentals right if we are going to have sustainable growth with price stability. That means long term growth and secure jobs for the future.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister. Today Statistics Canada reports that in fact we do have a slowdown in the economy from last month. This simply confirms what millions of Canadians know, millions of Canadians for whom the recession is very far from over.

Often the finance minister has pointed to increases in corporate profits as an indication that the recession is over. I would ask the finance minister and the Prime Minister to look at the number of lay-offs this week alone, 139 jobs lost by Norsk Hydro; 2,000 lost jobs at IBM; 1,300 jobs at Town & Country Stores across the country; and CN bracing for more losses.

When will the Prime Minister begin to take into account the real victims of the recession, those who are without jobs and need to have some hope in the future, and put forth a plan to provide jobs for Canadians?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as I have indicated, the only way to secure long-term growth, prosperity and permanent jobs is to get at the fundamentals, the fundamentals of bringing down interest rates, bringing down inflation. Consolidating and managing the fiscal challenge is really the only way that we can hope to ever achieve the kind of long term growth and stability that the hon. member refers to.

• (1430)

I remind her that this government has helped in creating a climate that generated 1.6 million new jobs, the highest record of job creation of any country in the industrialized world. We have gone through a period of adjustment and retrenchment; we are going through that. As a matter of fact the Governor of the Bank of Canada today indicated in his speech the main point, and I quote: "What I wish to convey from this monetary policy perspective is that Canada is now much better placed to enjoy good economic"—

Mr. Speaker: The hon. member for Yukon.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): I have a supplementary, Mr. Speaker.

When this government is optimistic, it predicts that one Canadian out of ten will be unemployed next year. The government has no economic recovery plan for the 1.5 million Canadians who are unemployed and the 2 million who are on welfare. An economic policy that ensures that the banks make billions of dollars of profits while children go hungry is a policy that does not work.

I would like to ask the minister when this government will help the real victims of the recession, the unemployed.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, perhaps the hon. leader of the New Democratic Party can help in this area as well. If we look at the September growth figures there was a decline of .1 per cent. I think everyone shares the view that if it had not been for the disruptive strikes that occurred we probably would have had positive growth in September.

The former premier of British Columbia should know that because of the strikes we lost a lot of grain deliveries. That certainly affected our export position and that affected our merchandise trade balance.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the Minister of Finance will not convince one Canadian that the poor management of this government is any excuse. Employee relations by this government are so bad that it was not even able to deal with its own employees. I want to say that is not the cause of the recession. The cause of the recession is government's policies. I want to say to the Minister of Finance that a recovery which does not put people back to work is not a recovery.

The Minister of Finance told us last week that in his budget consultations he was hearing that he was on the right track. I would like to ask the Minister of Finance to whom was he speaking? Was he just speaking to the bankers who made all those profits? How about speaking to those three million people who are out of work and on social assistance and asking for answers from that group of people? Has he spoken to them?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I would be happy to answer that question.

I have heard it from anti-poverty groups, from the Paraplegic Association and from NAC, the National Action Committee. I have heard it from the Canadian Manufacturers' Association. I have heard it from the retailers. I have heard it from the farmers. I have heard it literally from a cross-section.

An hon. member: What are you doing about it?

Mr. Mazankowski: What are we doing about it? The fact of the matter is that everyone knows we have a fiscal deficit problem we inherited from the previous administration that must be dealt with.

Some hon. members: Oh, oh.

* * *

UKRAINE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I would like to ask a question of the Prime Minister.

We are pleased to recognize that the Prime Minister took the step this morning of recognizing the independence of Ukraine.

Some hon. members: Hear, hear.

Mr. Axworthy (Winnipeg South Centre): I would like to ask the Prime Minister some questions to clarify the statement released by his office which says: "Canada will only open negotiations and will have to satisfy itself with respect to Ukraine's stated intentions on ensuring that nuclear weapons will remain under secure control that there will be compliance with existing arms control agreements" and so forth.

It is our understanding that those assurances have already been given by the President of Ukraine, Mr. Kravchuk, in a letter to the Prime Minister this week. I want to ask the Prime Minister: What further conditions, what further assurances is the Prime Minister requiring before full embassy status is given to Kiev and the full diplomatic power of immigration and other negotiations are transferred to that post in Kiev?

Could the Prime Minister indicate what more it is that Canada is now looking for under these negotiations?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, when we saw the results of the vote in Ukraine, the government decided to recognize Ukraine as an independent state. That we have done and we have announced.

It is not unusual, pursuant to such a decision, for a country to open negotiations with regard to the establishment of diplomatic relations. In this case which is quite unusual Canada will wish to be satisfied with respect, for example, to the question of nuclear weapons that will remain under secure control until they are disposed of.

Overnight a country has become a nuclear power with nuclear weapons on its territory. Obviously, in the interests of effective bilateral relationships and in the interests of security, we are going to want to assure ourselves of the security of those weapons. We want them destroyed and/or removed and placed under secure control. This is an entirely normal process which we are informed the leadership of the Ukraine welcomes.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a supplementary question. I think it still begs the question as to whether this is an unqualified or qualified recognition. We would like to know what further assurances in addition to Mr. Kravchuk's letter the Prime Minister is looking for.

Furthermore, I think we all recognize that a newly independent country needs more than just recognition. It needs assistance for its economic security. It needs assurances on its own security, and particularly in the case of Ukraine this question of dismantling its nuclear weapons is very crucial.

We should all take account of the UN report released this morning saying that there could be major unrest in eastern Europe if there is not another Marshall Plan.

In addition to these negotiations about nuclear weapons, is Canada prepared to offer to Ukraine substantial new economic assistance and in particular respond to the request we made this morning that Canada help in the conversion of its nuclear warheads to peaceful purposes?

Right Hon. Brian Mulroney (Prime Minister): We do not want the nuclear warheads converted. We want them done away with. That is what we want.

Some hon. members: Hear, hear.

Mr. Mulroney: My hon. friend asks two questions. On the first one the answer is contained in the first line of the statement: "Prime Minister Brian Mulroney today announced that Canada had decided to recognize Ukraine as an independent state". The recognition issue is resolved.

With regard to the second question raised in regard to future economic assistance and so on, in my meetings with President Kravchuk prior to to the election when he visited with me in Ottawa, I conveyed to him the view that after the election, and assuming certain results if that were the case, we would be dispatching senior public officials of the Government of Canada to meet with the officials of the newly elected government to deal precisely with the questions raised by my hon. friend.

The last line of the release deals precisely with that: "The Prime Minister confirmed that senior officials will be going to Kiev in the coming days to convey Canada's position and to begin the process of negotiations", which takes in as well the matters raise by my hon. friend.

* * *

[*Translation*]

ENERGY

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Eighteen months ago, the government promised to do environmental assessments of all its policies. The green plan reinforced this promise.

So far, however, no comprehensive environmental assessment has been made of policies at the Department of Energy, Mines and Resources. The minister simply refuses to co-operate. Why?

[*English*]

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the minister of energy is not in a position where he does not co-operate. He is co-operating.

On any issue that comes before cabinet through the regular documentation we have to satisfy and I as minister of energy I have to satisfy the environmental conditions. That is a condition of cabinet decision making. I am doing it.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my supplementary question is for the same minister.

Energy policy is a critical indicator of a government's commitment to sustainable development. The minister's refusal, his cabinet's refusal to allow an environmental assessment of the government's energy policy, demonstrates not only a lack of concern for the environment but is poor economic policy as well.

• (1440)

The question is very clear. When will the government produce the environmental evaluation of his department's energy choices, an evaluation that was promised clearly and unequivocally 18 months ago?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, if there is any change in the policy position and if cabinet makes that decision, part of that decision-making process will be the environmental considerations. As we have said before that remains and no change has taken place.

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INFORMANT PROGRAMS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of Finance and Deputy Prime Minister.

Most Canadians readily understand the need to compensate some individuals for the risks they take in providing information on drug smuggling, murder or conspiracy to the RCMP or the Security Intelligence Service. What is less clear is why Fisheries and Oceans, Environment Canada, and Revenue Canada are developing paid confidential informant programs.

My question for the Minister of Finance is: Would he explain why there are departments that are allowed to operate such programs without placing the costs in the estimates before Parliament, something the Minister of Finance is directly responsible for?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, in the absence of the minister of fisheries I can tell the House that I will be pleased to take my hon. friend's representations into account and report back to him as soon as possible.

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the Minister of Finance. The minister of fisheries is here, so the Solicitor General's response was not all that helpful.

Some hon. members: Oh, oh.

Mr. Speaker: Maybe we are going to have to start over. The hon. member for Skeena.

Mr. Fulton: Yes, Mr. Speaker. The minister of fisheries has obviously had a very close shave.

My supplementary question is for the Minister of Finance, because this is an important auditing function that he handles. There are now at least five ministries on that side of the House involved in informant programs.

I would like to ask the Minister of Finance whether or not he would agree that rather than operating the bounty hunter programs which are now being operated by Fisheries, Revenue, and soon by Environment Canada, with secret bank accounts and secret telephone numbers, does he not think it would be better to set up some hot-lines where Canadians can advise the departments of illegal activities that they are aware of?

Will the minister assure this House that by the end of today he will table all the budgets of all the ministries on that side of the House that have informant programs?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, since the hon. member referred to the Main Estimates maybe I can be of some assistance.

I would like to tell him that the payments that are made to individuals under the enforcement programs of various departments are considered to be operating expenses.

There is no separate line item in the estimates for that particular purpose, but the amounts are available as the hon. member knows very well because he was provided with the answers when he asked the question.

* * *

VIOLENCE AGAINST WOMEN

Ms. Mary Clancy (Halifax): Mr. Speaker, my question is for the Prime Minister.

As we prepare to mark the second anniversary of the tragedy at Ecole Polytechnique, the incidence of violence against women on Canadian campuses is on the increase. In particular the statistics on date rape are very frightening.

Will the Prime Minister convene a meeting of university presidents nation-wide to develop with them a concrete plan including education and enforcement policies to stop violence against women on Canadian campuses?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, I am sorry but the Minister responsible for the Status of Women is away on government business today. I will certainly bring the matter to her attention on her return.

One knows and understands how hard she has worked to make all of us much more aware of the very debilitating effect of violence and harassment of women and how much we have to do.

In this particular week, as we come up to the commemoration of the second anniversary of the event, all of us will be thinking of the young women whose lives were snuffed out before their future even unfolded.

I am sure the minister responsible will be addressing herself to this subject on her return to the House.

Ms. Mary Clancy (Halifax): Mr. Speaker, I thank the minister for his answer, but I posed my question then and I pose it again to the Prime Minister of Canada with this supplementary.

[*Translation*]

Is the Prime Minister prepared to promise financial support for Canadian universities so that they can develop policies to fight date rape?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I think that the hon. member for Halifax must know that recently in Edmonton, I announced the funding of three university chairs to research violence against women. I do not think she meant what she said; I think that she is talking about co-operation between training centres, particularly at the university level. This was extremely well received by women's groups when I made the announcement in Edmonton because I think that it is a policy that will help determine—and I agree fully with the hon. member—exactly what must be done in Canadian society to find ways to fight violence against women. The same goes for all forms of violence against women and children; we have policies involving hundreds of millions of dollars as an expression of our commitment.

Again, I repeat that we have made commitments to women's groups. I personally announced the funding next year of three university chairs for violence against women. I think that shows the government's intention to do something in that area.

* * *

[*English*]

JUSTICE

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Prime Minister.

Last night and tonight millions of Canadians are viewing an electrifying television documentary on the brutal slaying of Manitoba native Helen Betty Osborne.

Her death became the focus of the aboriginal justice inquiry of Manitoba which released its report last summer. This report made several recommendations for the federal government.

Why is the government delaying its response and ignoring the many ways through many departments that it can make justice a reality for Canada's aboriginal community?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, the government is quite aware of the report to which my hon. friend refers.

In fact I met as well with the minister of justice of Manitoba to discuss the federal report. At the present time the recommendations in the report are being studied by the RCMP. I can assure my hon. friend that this is not a matter where we are delaying in any way.

We want to provide a thoughtful and thorough response to this very important inquiry.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my supplementary question is for the same minister, the Solicitor General.

It is hard to believe that after three months and 150 recommendations on one of the most serious criminal issues and one of the most serious social issues in this country the minister cannot find one recommendation to start with.

When will this government begin to deal with these very serious problems?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I think the various efforts by the government to deal with this very serious problem have been alluded to today in previous answers.

I can assure my friend that the 150 recommendations are to be taken seriously. We are not in a mood to delay on this important issue. They are being taken seriously. The government will provide a response when the matter is brought forward.

We can only respond to the recommendations that are ours. It is a report made in the purview of the minister of justice of the province of Manitoba. Naturally we want to take instruction from that report and react to as many recommendations as we can.

* * *

MEDICARE

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have a question for the minister of health.

The federal government's response on Thursday to the recommendations of the report of the standing committee on health has been disappointing, particularly at a time when Canadians are looking for strong reasons to remain as part of a federal Canada.

• (1450)

Could the minister tell the House why his government supports the recommendations of the Liberal and Conservative committee members for the wholesale renegotiation of medicare at a time when Canadians are saying very clearly that they want national medicare with national standards and they do not want Bill C–20 and the continued federal cutbacks to financing of medicare?

Some hon. members: Order, order.

Mr. Speaker: I listened to the whole question because I did not want to intervene too quickly, but I think that question goes right into the workings of the committee and I think it is out of order.

* * *

THE CONSTITUTION

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I would like to put a question to the Minister responsible for Constitutional Affairs.

Back since September in my community we have had a group of volunteers, 20–odd people who have been meeting, discussing and holding public forums on constitutional proposals.

In the last while the work plan of the joint House and Senate parliamentary committee has changed and there has been a creation of constitutional conferences.

I am wondering if the minister could tell the House the status of these constitutional conferences and what reflection it will have on the small community based committees.

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I am pleased to be able to indicate today that there will be five constitutional conferences on consecutive weekends in cities across Canada starting on January 17 in Halifax, sponsored by a number of independent institutes in the country: the Atlantic Provinces Economic Council, the Canada West Foundation, the C. D. Howe Institute, the Institute for Research into Public Policy and the Niagara Institute.

Those conferences will call together experts plus, through a process worked out with the institutes, an effective representation of the general public. That will allow us to continue the process of building consensus on improvements for the proposals brought forward and tabled by the Prime Minister in September.

The fifth conference will be a concluding conference organized jointly by the Government of Canada and the five sponsoring institutes.

There had been talk, as the House will know, about a conference on aboriginal matters. I have had meetings with leaders of the four national aboriginal organizations. At the moment it is not their preference to proceed with a discussion on aboriginal issues, although that question is being discussed.

* * *

NATURAL GAS INDUSTRY

Mr. Ken Hughes (Macleod): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources.

The California Public Utilities Commission recently announced a decision which has the effect of abrogating long-term private contracts between Canadian natural gas producers on one hand and California consumers on the other. This would be very serious for our natural gas industry.

When will this minister respond to the strong and frequent representations from Alberta P.C. members of this House and take action to defend the interests of Canadian natural gas producers?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I want to thank the hon. member for his question.

This is a very serious issue. I would hope that all members of the House would join with the government in the actions that we plan to unveil tomorrow in Calgary. It is an issue that relates to the sanctity of contracts.

Natural gas has been provided to the California market. Since 1961 various administrations in this place have supported that type of export.

Tomorrow we will be joined by the province of Alberta, by the industry, and I hope by members on both sides of this House so that the sanctity of contracts remains and that the actions we propose tomorrow will be endorsed by this House.

ATLANTIC FISHERIES

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, in the House last week the parliamentary secretary to the minister of fisheries stated that his minister was aware of what the fishermen and plant workers were saying regarding the inadequacy of the Atlantic Fisheries Catch Failure Program in which people who have been involved in the fisheries all their lives have not been able to qualify, or if they qualify there is no funding for the program.

If the minister is aware of this, I would like to ask him what he is going to do about it and when.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, it is my information that everyone in the areas affected who has a relationship to the fishery in accordance with the rules that were laid down is being looked after in this program. If there are any who have been missed, they can be included once they provide the information that shows they have a reasonable attachment to the fishery.

There is no problem with respect to money. The difficulty is that there are a fairly sizeable number of people without any reasonable attachment to the fishery who also have not qualified for unemployment insurance or who in the next month or two are coming off the unemployment insurance program and will then be looking for assistance. That is where the difficulty comes from.

Those with a reasonable attachment to the fishery, I believe have been looked after.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, last week at the same time in response to a question the Prime Minister said that the $39 million, he claimed, provided for Newfoundland was not enough. In fact the $39 million was for three provinces. So Newfoundland and Labrador got considerably less than that.

Anyway the Prime Minister said: "That is not enough for Newfoundlanders". The Prime Minister knows that there are some inadequacies in the program and the minister knows there are some inadequacies in the program despite what he just said.

Could I call on the Prime Minister to order his minister of fisheries to come to the aid of Newfoundland plant workers and fishermen who need more money, to provide programs for them that they badly need and rightly deserve?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, in connection with this program, this program has provided funds to assist fishermen affected by catch failure wherever they were in Atlantic Canada, including Nova Scotia. The lion's share, if we might call it that, of the assistance has gone to Newfoundland and Labrador because this was the main area of catch failure.

For example, in connection with funding provided for 14,000 additional tonnes of herring to be purchased to give more work to fishermen and fish plant workers, 10,000 tonnes of that was allocated to Newfoundland and 4,000 to Nova Scotia and New Brunswick. We are trying to be as fair as we can be.

The Prime Minister of course is heavily in favour of assistance to anyone living anywhere in Canada where there is a demonstrated need, as the actions of the government have shown.

* * *

LAND CLAIMS

Mr. Jack Iyerak Anawak (Nunatsiaq):

[*Editor's Note: Member spoke in Inuktitut*]

[*English*]

Mr. Speaker, my question is for the right hon. Prime Minister. For 50 years the Lubicon Lake Indian band has been trying to settle its land claims. The Minister of Indian Affairs and Northern Development has said he is committed to resolving this claim.

Why then have there been no negotiations with the Lubicon Cree since 1989, and can the Prime Minister explain why the Minister of Indian Affairs and Northern Development created and funded last year a new band in the area claimed by the Lubicon band?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, I appreciate the hon. member's ongoing concern on this particular issue, just as the Minister of Indian Affairs and Northern Development also has a concern.

We have been working with the bands to try to reach an agreement on this.

Mr. Kilgour: Baloney.

Mrs. Martin: We are ready to sit down with them when they are ready to come back to the table and we will follow up on this.

Mr. Speaker: I wonder if the hon. member for Edmonton Southeast would apologize to the hon. minister for shouting out comments in the middle of her answer.

Mr. Kilgour: Mr. Speaker, I apologize to the minister, but I do not think her answer was very candid.

Mr. Speaker: I do not think that that is any apology at all. This is the very thing where we are getting into difficulty. I have asked the hon. member to withdraw unequivocally.

Mr. Kilgour: I am not going to go beyond that. I have apologized.

Mr. Speaker: Would the hon. member rise to his feet and let me know what he is saying? I cannot hear him otherwise.

Mr. Kilgour: Mr. Speaker, I am familiar with the Lubicon file too and I think that the question was fair. I do not think the answer was a fair response.

Mr. Speaker: I think the hon. member's intervention is completely improper.

Mr. Kilgour: I agree it was a bit strong.

Mr. Speaker: I would ask the hon. member to make it quite clear, at least to the Chair, that the intervention was improper and that it is withdrawn.

Mr. Kilgour: Out of my great respect for you, Mr. Speaker, I will agree that my comment was a bit strong. If it offended you then I apologize.

Some hon. members: Oh, oh.

Mr. Clark (Yellowhead): Withdraw.

• (1500)

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, my supplementary question is for the Prime Minister.

An order to create another new band, the Loon Lake band in the northern part of the land claimed by the Lubicon band, is apparently in the office of the Minister

of Indian Affairs and Northern Development awaiting his signature.

In order to demonstrate this government's commitment to a fair settlement with the Lubicon band, will the Prime Minister today order the minister not to sign this order and to resume negotiations with the Lubicon people immediately?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, I rise again, I hope uninterrupted this time, to say that this government—

Some hon. members: Oh, oh.

Mr. Speaker: The Chair has intervened. I would ask the hon. minister to put as clear an answer as is possible without getting into undue argument.

Mrs. Martin: As I mentioned earlier, I know the member's very true concern about the particular issue. I will take his last question back to the minister of Indian affairs if he returns tomorrow and discuss it with him.

* * *

AIDS

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is for the Minister of National Health and Welfare and concerns funding for the national AIDS strategy. As the minister knows we have been celebrating World AIDS Day and attempting to deal with this issue in a more constructive way.

The minister will know of the excellent work of AIDS support groups across Canada and will know that funding for these groups under ACAP was cut from was cut from $7 million to $6.4 million for 1991.

I wonder if the minister can confirm today that this $600,000 will be reinstated forthwith so that these AIDS support groups can continue with their critically important work.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I share the views of the member about the World AIDS Day yesterday. I believe that all Canadians have to be concerned about this terrible disease.

Concerning ACAP, I said to the committee when I appeared on October 30 that I was looking at the possibility of reallocating money already devoted to that file and that if there was a possibility of doing that for 1991 I would, for this year. However, I can confirm that for 1992–1993 the budget will be $7 million.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, also as the minister knows, across Canada there are considerable inconsistencies in the treatment of AIDS and its availability and the cost of prescription drugs.

I wonder if the minister can indicate what steps he is taking to eliminate these inconsistencies so that those persons living with AIDS in Canada can receive the same accessibility to medical treatment no matter where they live.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, we are trying to work with the provinces on that kind of file. The member knows very well that prescription drugs are determined by the provinces. They make those decisions.

The health care system is made in a way that we can provide as much as we can. As I was told in Europe recently, we have the best health care system in the world. For that reason we are trying to provide the same service all across the country, but of course there are problems in the kind of treatment and the kind of prescription drugs. For example, the problem is not the same in Vancouver, Toronto and Montreal as it is in any other province. That is why once again we are working with the provinces.

I believe the question is well put. It should be dealt with in that way by those provinces.

* * *

CROATIA

Mr. Garth Turner (Halton—Peel): Mr. Speaker, continued bloodshed in Croatia is unacceptable to my constituents and my question regarding this is directed to the Secretary of State for External Affairs.

Could she please tell this House the status of efforts to put a UN peacekeeping force into Yugoslavia to control the Serbian army, and will Canada commit troops to help protect Croatia?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, Canada has been in the forefront of this issue from the beginning, particularly in urging the Security Council and the United Nations to become engaged in stopping the violence.

We will indeed put peacekeeping troops into the area. Mr. Vance, representing the Secretary-General, is in Belgrade now and his assistant is in Zagreb. We are in constant touch with the United Nations and with Mr. Vance. I spoke to him just before he left and told him at that point that Canada would be part of a peacekeeping effort, as the Prime Minister had said publicly and as we had urged the Security Council to take on. There will have to be another resolution at the Security Council I understand when Mr. Vance returns. We are in touch with our people at the UN as well as through our posts in all the Security Council countries to urge them to establish this so that we can get started.

Mr. Speaker: The time for Question Period has expired.

* * *

PRESENCE IN THE GALLERY

Mr. Speaker: I want to draw to the attention of members the presence in the gallery of Mr. Gordon Wilson, MLA, Leader of the Official Opposition in the Legislative Assembly of the Province of British Columbia.

Some hon. members: Hear, hear.

* * *

POINT OF ORDER

REQUEST FOR DOCUMENTS

Mr. Jim Fulton (Skeena): Mr. Speaker, during Question Period a supplementary answer was given by the President of the Treasury Board. I would certainly hope he will now table those figures. He indicated that I had the figures for informant programs run by at least five government ministries. I do not have those figures and they are not publicly available.

I would hope that the President of the Treasury Board will either correct the record or will in fact table those figures today.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I have a point of clarification.

During Question Period the hon. member for Skeena alluded to such a program being in place. In his wording he could have left the impression that such a program was now in place in Environment Canada.

Just for the record I want to make it clear that no such program is now in place in Environment Canada.

QUESTION PERIOD

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I rise to comment on a point of order arising out of Question Period. It has to do with the question of the hon. member for Surrey being ruled out of order.

The member was asking a question about the government's response to a committee report tabled in this House. This report therefore is no longer the property of the committee but is something of which the House has been seized. He was asking the government a question about its particular response to that particular report. In the course of it he referred to Bill C-20 which is being debated in the House today. But the main point of the question had to do with the government's response to a committee report.

With respect, Mr. Speaker, I fail to understand why it was out of order.

Mr. Speaker: I could be incorrect but as I heard the question it seemed to me that it was going into the committee and in any event it seemed to be anticipating the Orders of the Day.

While there may be differences of opinion on it, that was my call. If I was in error then I can only express to the hon. member my regret. Perhaps the matter could be raised in another way at another time.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 1991

MEASURE TO ENACT

The House resumed consideration of Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, as reported (with amendments) from the Standing Committee on Finance.

Mr. Speaker: Pursuant to Standing Order 45(5)(a), the House will now proceed to the taking of the deferred divisions on the motions at report stage of Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, as reported (with amendments) from the Standing Committee on Finance.

Call in the members.

The House divided on the Motion No. 1 which was negatived on the following division:

(*Division No. 88*)

YEAS

Members

Allmand
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Bélair
Benjamin
Bevilacqua
Blackburn (Brant)
Boudria
Catterall
Clancy
Crawford
Duhamel
Flis
Fulton
Gardiner
Gray (Windsor West)
Hovdebo
Kaplan
Keyes
MacDonald (Dartmouth)
Manley
Martin (Lasalle—Émard)
Mifflin
Murphy
Robinson
Samson
Taylor
Venne
Young (Beaches—Woodbine)—57

Anawak
Assad
Barrett
Bellemare
Berger
Black
Blaikie
Breaugh
Chrétien
Copps
Dingwall
Edmonston
Foster
Gagliano
Gauthier
Hopkins
Hunter
Karpoff
Langdon (Essex—Windsor)
MacLaren
Marchi
McCurdy
Mitchell
Prud'homme
Rocheleau
Skelly (Comox—Alberni)
Tobin
Young (Acadie—Bathurst)

NAYS

Members

Anderson
Atkinson
Beatty
Blenkarn
Brightwell
Champagne (Champlain)
Clark (Yellowhead)
Clifford
Cooper
Corbett
Couture
de Cotret
Desjardins
Edwards
Ferland
Greene
Halliday
Hawkes
Hogue
James
Joncas
Koury
Lewis
Lopez
Marin
McCreath
McDougall (St. Paul's)
McLean
Monteith
Nicholson
O'Kurley
Pronovost
Ricard
Robitaille
Saint-Julien
Scott (Victoria—Haliburton)
Sobeski
Sparrow
Tremblay (Lotbinière)
Valcourt
Vankoughnet

Andre
Attewell
Bjornson
Bouchard (Roberval)
Cardiff
Charest
Clark (Brandon—Souris)
Cole
Corbeil
Côté
Crosbie (St. John's West)
Della Noce
Duplessis
Epp
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Harvey (Chicoutimi)
Hockin
Hudon
Johnson
Kempling
Landry
Loiselle
MacDougall (Timiskaming)
Martin (Lincoln)
McDermid
McKnight
Merrithew
Moore
Oberle
Plourde
Redway
Richardson
Roy-Arcelin
Schneider
Scott (Hamilton—Wentworth)
Soetens
Stevenson
Turner (Halton—Peel)
Van De Walle
Vincent

Weiner
Winegard—85

Wilson (Etobicoke Centre)

PAIRED—MEMBERS

nil/aucun

[*Translation*]

The Acting Speaker (Mr. DeBlois): I declare Motion No. 1 lost. Therefore, Motion No. 2 is negatived.

Mr. Gagliano: Mr. Speaker, I believe you will find there is unanimous consent for applying the results of the vote that was just taken to Motion No. 3 and the vote on Motion No. 4 to Motions Nos. 5 and 6.

[*English*]

Mr. Hawkes: The list we have would indicate it is Motions Nos. 3 and 4. They are not on the Order Paper because they were done by unanimous consent earlier this day. I just want to make sure that these are the last two votes, at any rate, in terms of amendments to this bill.

Mr. Nowlan: On the same point of order, I do not want to impede but I did not vote either for or against because I did not have the amendment before me and I really was not sure what the devil I was voting on. If it is to implement the budget in a general way, then perhaps I would be able to take a position. I would like to agree to the other amendments if I knew what they were. I did not vote the first time because I did not have the amendment and I did not know what I would be voting on. If you could tell me what the vote is, what the amendments are, then I will go along with a vote.

The Acting Speaker (Mr. DeBlois): Motion No. 3 of the member for Essex—Windsor moved that Bill C-20 be amended by deleting clause 7. Motion No. 4 of the member for Essex—Windsor moved that Bill C-20 be amended by deleting clause 8.

[*Translation*]

The next question is on motion No. 3.

The House divided on the Motion No. 3, which was negatived on the following division.

(*Division No. 89*)

YEAS

Members

Allmand	Anawak
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Barrett
Bélair	Bellemare
Benjamin	Berger
Bevilacqua	Black
Blackburn (Brant)	Blaikie
Boudria	Breaugh
Catterall	Chrétien
Clancy	Copps
Crawford	Dingwall
Duhamel	Edmonston
Flis	Foster
Fulton	Gagliano
Gardiner	Gauthier
Gray (Windsor West)	Hopkins
Hovdebo	Hunter
Kaplan	Karpoff
Keyes	Langdon (Essex—Windsor)
MacDonald (Dartmouth)	MacLaren
Manley	Marchi
Martin (Lasalle—Émard)	McCurdy
Mifflin	Mitchell
Murphy	Prud'homme
Robinson	Rocheleau
Samson	Skelly (Comox—Alberni)
Taylor	Tobin
Venne	Young (Acadie—Bathurst)
Young (Beaches—Woodbine)—57	

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Bjornson
Blenkarn	Bouchard (Roberval)
Brightwell	Cardiff
Champagne (Champlain)	Charest
Clark (Yellowhead)	Clark (Brandon—Souris)
Clifford	Cole
Cooper	Corbeil
Corbett	Côté
Couture	Crosbie (St. John's West)
de Cotret	Della Noce
Desjardins	Duplessis
Edwards	Epp
Ferland	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Guilbault
Halliday	Harvey (Chicoutimi)
Hawkes	Hockin
Hogue	Hudon
James	Johnson
Joncas	Kempling
Koury	Landry
Lewis	Loiselle
Lopez	MacDougall (Timiskaming)
Marin	Martin (Lincoln)
McCreath	McDermid
McDougall (St. Paul's)	McKnight
McLean	Merrithew
Monteith	Moore
Nicholson	Oberle
O'Kurley	Plourde
Pronovost	Redway
Ricard	Richardson
Robitaille	Roy-Arcelin
Saint-Julien	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Sobeski	Soetens
Sparrow	Stevenson
Tremblay (Lotbinière)	Turner (Halton—Peel)
Valcourt	Van De Walle
Vankoughnet	Vincent
Weiner	Wilson (Etobicoke Centre)
Winegard—85	

PAIRED—MEMBERS

nil/aucun

The Acting Speaker (Mr. DeBlois): I declare the motion lost. The next question is on Motion No. 4, which will dispose of Motions Nos. 5 and 6.

The House divided on the Motion No. 4, which was negatived on the following division.

(*Division No. 90*)

YEAS

Members

Allmand	Anawak
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Barrett
Bélair	Bellemare
Benjamin	Berger
Bevilacqua	Black
Blackburn (Brant)	Blaikie
Boudria	Breaugh
Catterall	Chrétien
Clancy	Copps
Crawford	Dingwall
Duhamel	Edmonston
Flis	Foster
Fulton	Gagliano
Gardiner	Gauthier
Gray (Windsor West)	Hopkins
Hovdebo	Hunter
Kaplan	Karpoff
Keyes	Langdon (Essex—Windsor)
MacDonald (Dartmouth)	MacLaren
Manley	Marchi
Martin (Lasalle—Émard)	McCurdy
Mifflin	Mitchell
Murphy	Prud'homme
Robinson	Rocheleau
Samson	Skelly (Comox—Alberni)
Taylor	Tobin
Venne	Young (Acadie—Bathurst)
Young (Beaches—Woodbine)—57	

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Bjornson
Blenkarn	Bouchard (Roberval)
Brightwell	Cardiff

Champagne (Champlain)	Charest
Clark (Yellowhead)	Clark (Brandon—Souris)
Clifford	Cole
Cooper	Corbeil
Corbett	Côté
Couture	Crosbie (St. John's West)
de Cotret	Della Noce
Desjardins	Duplessis
Edwards	Epp
Ferland	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Guilbault
Halliday	Harvey (Chicoutimi)
Hawkes	Hockin
Hogue	Hudon
James	Johnson
Joncas	Kempling
Koury	Landry
Lewis	Loiselle
Lopez	MacDougall (Timiskaming)
Marin	Martin (Lincoln)
McCreath	McDermid
McDougall (St. Paul's)	McKnight
McLean	Merrithew
Monteith	Moore
Nicholson	Oberle
O'Kurley	Plourde
Pronovost	Redway
Ricard	Richardson
Robitaille	Roy-Arcelin
Saint-Julien	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Sobeski	Soetens
Sparrow	Stevenson
Tremblay (Lotbinière)	Turner (Halton—Peel)
Valcourt	Van De Walle
Vankoughnet	Vincent
Weiner	Wilson (Etobicoke Centre)
Winegard—85	

PAIRED—MEMBERS

nil/aucun

The Acting Speaker (Mr. DeBlois): I declare the motion lost. Therefore, Motions Nos. 5 and 6 are negatived.

Hon. Harvie Andre (for the Deputy Prime Minister and Minister of Finance) moved that Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, be concurred in as amended.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to.

[*English*]

The Acting Speaker (Mr. DeBlois): When shall the bill be read the third time? At the next sitting of the House.

Mr. Cooper: Mr. Speaker, I believe that should have been "by leave now" we would proceed with third reading of the bill.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): On a point of order, the hon. member for Oshawa.

Mr. Breaugh: Mr. Speaker, I wonder if you could assist me. Is it in order for members to argue against a motion when it is being debated and then to vote for it?

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's responses to 15 petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*Translation*]

TRANSPORTATION OF DANGEROUS GOODS ACT, 1992

MEASURE TO ENACT

Hon. Jean Corbeil (Minister of Transport) moved for leave to introduce Bill C-45, an act to promote public safety in the transportation of dangerous goods.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Corbeil moved that the bill be read the first time and printed.

Pursuant to Standing 69(1), the motion is deemed adopted.

Bill read the first time and printed.

[*English*]

PETITIONS

IMMIGRATION

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I am pleased to table a petition from residents of my riding and other areas of metropolitan Toronto urging the minister of immigration to issue minister's permits for spouses and dependent children of persons who have been determined to be convention refugees and allow these families to be reunited in Canada for inland processing.

If this were done, we would limit tragic situations such as the four Gunajothy children between the ages of 5 and 12 who have been waiting for three years in a hotel room in Colombo in terror, without a permanent care giver, while their parents achieved refugee status and were landed last June.

It is six months now that they have been sponsored and they have not even received medical instructions. These children will be Canadian citizens and they will remember their years of fear, loneliness and waiting.

[*Translation*]

ARTICLE IX OF GATT

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the honour to present a petition signed by residents of Sydenham, South Mountain, Joyceville and Plantagenet.

[*English*]

These petitioners oppose the government's possible change in article XI of the GATT, the General Agreement on Tariffs and Trade. They call upon the government to hold the Canadian system up as an example to the world and to protect it in its entirety from any change as a result of the current negotiations and urge the government to show some backbone for a change and support Canadian farmers in those negotiations.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk).

Routine Proceedings

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the following questions will be answered today: No 117 and No. 141.

[*Text*]

Question No. 117—**Mr. Vanclief:**

With respect to certificates sent to commemorate Canadian participation in the war in the Persian Gulf (*a*) how many were printed (*b*) how many were mailed (*c*) what was the per unit cost of printing (*d*) who did the printing (*e*) what were the total mailing costs (*f*) what was the cost of (i) designing the certificates (ii) stuffing the envelopes (iii) assembling the list of recipients?

Hon. Marcel Masse (Minister of National Defence): (a) 1,600

(b) 700

(c) $1.75 per certificate

(d) Department of Supply and Services

(e) Approximately $300. Most were one package with multiple certificates enclosed.

(f) (i) Approximately 1.5 hours were spent by DND personnel as a part of their normal duties.

(ii) Approximately 2 hours were spent by DND personnel as a part of their normal duties.

(iii) Approximately 3 hours were spent by DND personnel as a part of their normal duties.

Question No. 141—**Mrs. Campbell (South West Nova):**

With respect to the $36 million naval reserve base that is planned for Pointe-à-Carcy, Quebec, what is (*a*) the number of trainees it is expected to handle (*b*) the number of full-time military and civilian employees it will have (*c*) the number and type of new facilities that will have to be built to complete it (*d*) the expected annual operating budget?

Hon. Marcel Masse (Minister of National Defence): The naval reserve facility at Pointe-à-Carcy, Quebec, will house three organizations: The Naval Reserve Headquarters, HMCS Montcalm and the Canadian Forces Fleet School Quebec.

(a) Canadian Forces Fleet School Quebec and HMCS Montcalm are expected to handle up to 1,500 trainees a year.

(b) The permanent staff, both military and civilian, for all three organizations will number 130 personnel. (Note that 67 personnel with the naval reserve headquarters have been located at 94 Dalhousie since 1988).

(c) The naval reserve facility will consist of three buildings:

(1) A new quarters building will be built on Dalhousie Street to house the residence and the messes;

(2) The existing Hanger 19 will be extended and renovated as the Training building and will house HMCS Montcalm and the Canadian Forces Fleet School Quebec training resources; and

(3) The John Munn building at 112 Dalhousie Street will be renovated as office space for CFFSQ and NAVRES HQ administration offices.

(d) The projected recurring maintenance and operating costs of the three buildings are estimated at $2,269,000 a year, including $533,000 for equipment operating costs and $1,736,000 for facilities/services (budget year 1996–97).

[*Translation*]

The Acting Speaker (Mr. DeBlois): The questions enumerated by the parliamentary secretary have been answered.

Mr. Cooper: Mr. Speaker, I ask that the remaining questions be allowed to stand.

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

Some hon. members: Agreed.

* * *

[*English*]

PRIVILEGE

MEMBER FOR TIMISKAMING

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I gave notice to the Speaker's office on Thursday and I rose in the House on Friday on a point of privilege and informed the member for Sudbury who in *Hansard* on page 5508, November 28, made allegations against myself, my family, and my riding.

I would like today, and unfortunately the member for Sudbury is not here, to refer to you in a statement—

Mr. Dingwall: Point of order, Mr. Speaker. The hon. member opposite is indeed quite correct that he did stand in his place on Friday and give notice to the Speaker that he intended to raise a point of privilege which he believes has affected him in his responsibilities as a member of Parliament.

Through the Chair perhaps I may say to the hon. member that the member he is referring to can and will be made available tomorrow morning. Perhaps at that time the hon. member would want to raise his substantive point at that time. I think there has been some difficulty with respect to transportation to and from the constituency. If the hon. member would care to wait, the hon. member could be here tomorrow and I am sure the matter could be argued in its complete context.

Mr. MacDougall: Mr. Speaker, I am prepared to wait but I would like to comment that it has been a very difficult four days for myself and my family and for my constituents when allegations like this are made.

An hon. member: Well, go ahead.

Mr. MacDougall: I would like to ensure that the member is here so that she can really deal first hand with what she has said and the difficulty it has caused for me and my family.

Mr. Dingwall: Mr. Speaker, I believe we can give the undertaking that the hon. member will be here tomorrow to debate and add her particular intervention to the suggestion made by the hon. member.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The Chair has noted the comments made by hon. members and appreciates the courtesy shown by the hon. member for Timiskaming.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 1991

MEASURE TO ENACT

Hon. John McDermid (for the Minister of Finance) moved that Bill C–20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, be read the third time and passed.

He said: I rise today to speak on third reading of Bill C–20. As everyone knows, this bill implements the measures announced in the February 1991 budget by the then minister of finance.

Bill C–20 implements several spending restraint and deficit control measures. It affects the Federal–Provincial Fiscal Arrangement Act, the Public Utilities Income Tax Transfer Act and the Unemployment Insurance Act.

Before I discuss the details of the bill let me, at the outset thank all those who participated on the committee for their work, their suggestions and their useful comments.

I listened this morning very carefully to the comments of my colleagues from both opposition parties. The legislation should be understood in the broad context of the government's over–all economic agenda. Measures proposed in the February budget set out in the plan for economic recovery are essential to restore strong, continuing growth that leads to the renewed prosperity that Canadians want.

The key to recovery is lower interest rates. It requires reduction in expectations and in inflation. Part of this comes from putting government finances firmly on course to a balanced budget and by restraining the operations of government. The budget plans for economic recovery support these goals through further tough discipline and government spending, deficit reduction and control of the government's operating costs.

The Minister of Finance today in Question Period mentioned that he is in the process of having pre–budget consultations with the broadest cross section of people in our country from all walks of life. I shared those pre–budget consultations with him last week in Toronto and they were represented by many groups.

All of those groups are experiencing in most instances financial problems at this period of time as they come through a recession. They sent one message loud and clear from those consultations and that was to stick to what we are doing, we are on the right track and we will be proven right. Interest rates are coming down and inflation is down at an annualized rate now that is beyond the goals that were set by the Government of Canada.

• (1550)

They said that we are on the right track. For heaven's sake do not backtrack. That came loud and clear. There were other suggestions from many of the groups which made representations on how we can improve the situation economically. There were suggestions for the upcoming 1992 spring budget, but generally that was the theme that came through loud and clear.

This bill talks to those policies we are implementing to ensure that we stay on the right track and to ensure that the young people coming behind us are not going to be paying all our bills. We will start making a dent in that huge debt that has been built up over a number years.

The measures before us today have important implications for federal–provincial fiscal arrangements and in particular the major transfers to two provinces.

I listened today to some figures that were thrown out by the opposition parties. I am not sure where they got the figures or what inflation rate they were basing their figures on. We heard a wide range of figures thrown around today all of which are hypothetical and all of which are added or subtracted. They are primarily added or embellished on by the opposition. We are not sure where the accuracy of them can be found.

Today the federal government provides about $37 billion in financial support to provincial governments. There are three major transfer programs. The Established Programs Financing or EPF, equalization and the Canada Assistance Plan referred to as CAP. They account for over 90 per cent of all federal transfers to provinces or more than $34 billion for 1991–92.

That is a lot of money. That is about 20 or 25 per cent of the program spending that goes to the provinces. Bill C–20 which we are debating in third reading helps to bring the growth of federal–provincial transfers into line. I emphasize that it is the growth, not reductions, of these transfers that is being brought into line with the current fiscal realities by introducing limits to the growth of payments under the EPF. I think it is very important to understand that they continue to grow, maybe not at the rate the New Democratic Party or the Liberal Party or even the Conservative Party would like to see. It is especially not at the rate the provinces would like to see but within the fiscal realities that we are dealing with we believe they are realistic.

It is important to note that the government has not touched equalization. Transfers under this program to the less wealthy provinces have been exempted from the budget expenditure controls. Even with the measures proposed in the budget, growth in federal transfers is expected to run at 3.7 per cent annually between 1991–92 and 1995–96. That will be more than the rate of inflation during that period of time if our goals are reached and we believe they will be reached. This is in contrast to three per cent for all federal programs over the same period.

Bill C–20 brings the growth of federal–provincial transfers into line with these current fiscal realities which are much different than they were in the 1960s and the 1970s when our major transfer programs took their present form. Times change. The economy changes and situations change. The federal government has already announced and has started consultations with the provinces and Canadians generally on the reform of the major transfer system. The provinces have requested this. They want to assure funding as well. They are concerned about the system and we want to take a major look at that system. It has been guided by the principles that the new transfer system must be affordable.

It must protect provinces with lesser financial means. It must maintain the vital national public services expected by Canadians while providing accountability to the public.

The fearmongering that has been going on this morning by the New Democratic Party I think is totally unfair and unfounded. There has been screaming and moaning and groaning about our medicare system and how those nasty Tories want to do away with it. What utter nonsense. What poppycock. What socialist baloney. That is absolute nonsense. We have as much concern about the medicare system as anyone does.

An hon. member: We want to bring it into the 21st century.

Mr. McDermid: That is exactly what we want to do. We want to assure that services are provided and that they are affordable. That is what it is all about.

For the New Democratic Party to say that this government is not concerned about medicare is totally false. It is absolutely totally false.

An hon. member: Why are you destroying it?

Mr. McDermid: They were standing up not too long ago blaming the provinces for not spending the money on medicare that they get from the federal government.

That says to me that the federal government is giving the money and the provinces are not spending it on medicare. You cannot have it both ways. You cannot say that we are destroying the medicare system when the provinces are not spending the money they get for medicare on medicare. You cannot have it both ways over there. You just cannot do it. I will not buy the nonsense which is handed out to the Canadian public because it is just not true and the hon. member knows it.

Mr. Langdon: Mr. Speaker, I rise on a point of order. During Question Period today the Speaker took a member of the Liberal Party severely to task for suggesting that something the minister had said was baloney.

This minister has just used precisely the same phrase with reference to comments which my hon. friend from Vancouver has stated. I would ask you, Mr. Speaker, to ask the minister to withdraw the comment in consistency with the normal parliamentary language which the Speaker has laid out during Question Period today.

Mr. McDermid: I am going to continue with my speech. I was talking about socialist baloney. I did not accuse any individual member of it. I talked about socialist baloney. There is nothing wrong with it.

Mr. Langdon: Mr. Speaker, I rise on the same point of order. I am quite prepared to have a vigorous debate with the minister about the values of this particular piece of legislation.

I have asked you for a ruling on it. It does seem to me that if a word is inadmissible according to the Speaker when it comes from the opposition surely that same word when it comes from the government is also inadmissible.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I believe that when the Speaker intervened earlier during today's sitting, it was to remind a member who apparently had interrupted several times. It was because of his behaviour, not because of the term he used, that the Speaker called the

House to order. That is why I would prefer to let the debate proceed and again recognize the Minister of State for Finance and Privatization.

• (1600)

[*English*]

Mr. McDermid: Mr. Speaker, I would not want to limit debate in this House and that, of course, is what we are doing. Is that not right?

My hon. friend from Kingston and the Islands is sitting there agreeing with me most vociferously, and I appreciate that very much.

In carrying on I want to talk about the bill which is before us which amends the Federal-Provincial Fiscal Arrangements Act to extend the February 1990 budget's per capita freeze on EPF transfers for a further three years to 1994-95.

However, it has no effect on transfers in the current fiscal year or the next. EPF transfers will continue to grow with population increases in each province. This is the largest single transfer program that the federal government has. It transfers $20 billion in 1991-92 to the provinces. It is provided to all provinces on an equal per capita basis and increases annually with each province's population.

Historically these transfers were made to help the provinces in the area of health care and post-secondary education. However, provinces are able to use these transfers according to their own priorities. That was a decision that was made, as hon. members pointed out today back, I believe, in 1977.

There are a great number of university presidents. There are a great number of those in the health care system who accuse the provinces of not in fact applying the money to those areas for which they were intended. If we go back to that type of thing, I am sure that will be one of the things that will be studied between the provinces and the federal government.

There, of course, has to be an accounting system, a check, and so on and so forth on that type of thing. I believe that when it was changed in 1977 it was done for a very good reason. Because they are examining the transfers, the methods of transfers, tax points versus cash, et cetera, that will be one of the things that will be looked at.

To the critics of the extension of the EPF freeze I want to say this, Mr. Speaker. For decades the Government of Canada has provided large and growing financial support to the provinces. As a matter of fact, while deficits were going up federally some of the provincial governments were balancing out their budgets on what they received from the federal government. I think that is fair to say.

Almost $37 billion in federal transfers are now simply too large to exempt from our expenditure restraint program. If 25 per cent or 30 per cent of your budget is going to the provinces in the form of these transfer payments then they are part of the expense problem of the federal government.

If in fact they are part of the problem, then they have to be part of the solution. I think that goes without saying.

In working to get down our deficit, we have to control these transfers to the provinces in a realistic way. So the transfers are affected. I think many people would agree with that.

I listened to my colleagues from the NDP again today complaining that medicare money was going to fix roads, and for uses by provincial governments other than for what they were intended. That was the claim made today. I have heard that many times from people across this country who are concerned about transfers to the provinces.

If that is the case and if the federal government has to rein in its expenditures, if the Canadian people, the constituents in Brampton, the constituents in Don Mills, the constituents that I meet everywhere, are saying that we have to cut back on expenditures and 30 per cent of expenditures are transfers to the provinces, then they must participate.

At the same time the provinces should cut back on their expenditures as well. They have many areas where they can cut back which would not detrimentally affect medicare or would not detrimentally affect post-secondary education.

They too have a responsibility for trimming the fat from their operations. To give provinces credit, I believe that in the last couple of years most of the provincial governments have realized that and have done that. They have made some tough decisions as well and have started to cut back.

I am concerned about my province of Ontario. I am very concerned about the way it is increasing deficit spending and the problem it is in today. I am very concerned about that. While other provinces are toeing the line, it is giving huge pay increases. At a time when everybody else is toeing the line it is spending money in areas that are questionable. It could trim a lot of fat out of its government as well.

When all other provincial governments are going in one direction, the government of Ontario seems to be going in the opposite direction. I believe it is working at cross purposes for what is trying to be attempted right across this country. We are concerned about that.

Mr. Milliken: You should be.

Mr. McDermid: Thank you. My friend from Kingston and the Islands says we should be concerned about it because they are as well. I understand that.

When meeting with the finance ministers from across Canada, they realize that the deficit is a national problem. They understand that fully. It is not just a federal problem, it is a national problem and all governments must participate in a solution.

We had a meeting the other day with the minister of finance for the province of Ontario and even he is now looking for areas to cut back on. He is privatizing too, which is interesting. An NDP government, a socialist government, is privatizing as well, looking for areas it could sell. I understood it sold the dome the other day.

An hon. member: It gave it away.

Mr. Blackburn (Brant): What would you do?

Mr. McDermid: We have the NDP arguing with the Liberals now on this. Maybe I should just sit back and let them go at one another over there. It is wonderful.

As I pointed out, major transfers to the provinces, including both cash and tax transfers will grow on an average of 3.7 per cent per year from 1991–1992 to 1995–1996 and all federal programs will grow by 3.4 per cent.

Let me just point out that these figures have to get on the record because all we hear about are cuts and cutbacks and so on. I want these figures on the record. The equalization payments in 1984–1985 were $14,568,000,000. In 1992–1993, the fiscal year we are coming into, they will be $20,620,000,000, that is from $14.5 billion to $20.6 billion.

In equalization payments it has gone from $5.5 billion to somewhat over $9 billion in that period. The Canada Assistance Plan has gone from $4 billion to $6.6 billion. Other transfers have gone from $2.1 billion to $3 billion. Total transfers have grown from $25.6 to $38.1, that is $38,100,000,000 in 1992–1993. That does not sound like cuts or cutbacks. That sounds like increases and it has been increases. We are limiting those increases to ensure there is a discipline both at the federal and provincial government levels to budget and spend wisely. That is what the people have been telling us in no uncertain terms we should be doing.

I want to talk about provincial health standards for a minute if I can. We heard a lot about that this morning.

Bill C–20 amends the Federal–Provincial Fiscal Arrangements Act with respect to the Canada Health Act.

• (1610)

Currently the federal government can withhold equalization payments from any province which does not comply with national health care standards set out in the Canada Health Act regarding comprehensiveness, accessibility, universality, portability and public administration.

Some have raised a concern that as the growth of the transfers under the EPF is limited, the ability of the federal government to continue enforcing the act might come into question.

Bill C–20 ensures that provinces continue to comply with the Canada Health Act by allowing the federal government for purposes of enforcement to withhold funding, other than EPF cash transfers, to provinces. This action will strengthen the government's ability to uphold the conditions and criteria which govern the national medicare system.

Allow me to comment on the alleged vulnerability of this provision to a court challenge. The government has received legal advice indicating that the federal spending power is upheld by the Supreme Court recently in the CAP reference decision and it allows the government to attach conditions to the moneys it transfers to the provinces. These conditions can touch on areas in which the government would not otherwise be able to legislate.

My hon. friend from Timmins commented today that Bill C–20 amends the Unemployment Insurance Act, provides for increases in UI premiums to ensure the health and stability of the unemployment insurance program. This action will avoid the need for much higher increases later to bring the UI account back into balance. It will also prevent debt problems from building up in the UI fund.

Premium rates were set in 1989 for a three year period beginning in 1980 on the basis of economic conditions expected at that time. Economic and labour market conditions have, however, deteriorated greatly, we all know that. Under the old rate of contributions, the unemployment insurance fund would move from a surplus at the end of 1990 to a deficit of $6 billion by the end of 1992 because of higher than expected benefit payments.

This would seriously jeopardize the financial integrity of this self–financed program and damage the federal government's fiscal position. An accumulation of debt in the UI account has the same effects as the build up of other federal debts. We have seen the consequences of borrowing today and imposing a burden on the future. God knows we are dealing with that now and it is difficult to do.

Responsible stewardship requires that we take the necessary steps to ensure the UI fund remains self–financing. I know we are all getting representations on the UI payments and how difficult they are but it reminds me of the old commercial we saw on television not too long ago: "You can pay me now or you can pay me later." The trouble with paying later is that debt grows larger and larger and you pay more and more.

People have told us all along that we should pay as we go. Some people are suggesting legislation forcing a government to have a balanced budget every three years. That would be an interesting piece of legislation and more interesting to try and make it work, especially in this period when we have such a huge debt, but that is what we are heading toward. We are heading toward a budget in which by 1995 we will no longer be borrowing from the public and will be able to start paying back some of the debt that this government and other governments have accumulated over the last number of years.

Another act that is amended by Bill C–20 is the Public Utilities Income Tax Transfer Act. This act provides for the transfer to the provinces of 95 per cent of the federal income tax collected from privately owned electric and gas utilities. These were frozen in the 1990 budget, and given the current economic circumstances, the government cannot afford to resume increasing payments under this program and so this freeze is being extended a further four years.

In times of economic difficulty, Canadians expect the government and its officials to bear their share of restraint and in particular politicians must demonstrate leadership and resolve in helping the country through this difficult period.

Bill C–20 originally sought to restrain the salaries of members of Parliament and senators as promised in the February budget. However, these measures were implemented by Bill C–29 and the clauses dealing with the issue have been deleted in committee. Members of Parliament, senators, members of cabinet and the Prime Minister have an absolute freeze on their salaries for a year and then will follow along with the civil service increases up to 3 per cent depending on the conditions.

None of these measures compromise or will compromise our consistent standards for health and social programs. Rather these measures ensure that we have a strong economy and will be able to afford these programs in the future.

I listened to an individual today from the Liberal Party, I think from Mississauga East, stand up and say: "Let us forget about the fight against inflation. Do not worry about inflation. Let us go back and help those most in need".

I am going to tell you inflation hurts the poor and the people on fixed incomes and those people going to food banks more than than it hurts anyone else in society. Getting inflation down and keeping it down is so important to those people. Despite her suggestion that we give up the fight, we are not going to. We must continue to fight inflation and to reach the realistic goals that have been set by the Government of Canada. I believe that we have a balanced and prudent way to ensure that the deficit this year does not increase over last year. It is tough in the economic period we are going through with the recession and coming out of it, albeit slowly. We do see light at the end of the tunnel.

These measures combined with the economic recovery and the lower interest rates will push our deficit down sharply. In 1992 we are forecasting that the deficit will be in the $25 billion range. That is the lowest it has been in 10 years. By 1995 we will have eliminated the need, as I say, for any new government borrowing on financial markets. That is the first time that has happened in this country in 25 years.

During the recession of 1981–82 the government of the day chose a different path. It allowed the deficit to balloon in that two year period by $23 billion to a total of about $38.5 billion. This burden of debt that all Canadians have inherited—we all have to pay for it and those who are unborn will have to pay for part of it as well—has made the legislation before us today so necessary.

The federal deficit as I said earlier and the debt load are national problems. As they are national problems, they require national solutions. Provinces have benefited greatly by this federal support in the past and by contributing to restraint I believe that they will also reap the benefits by lower inflation, lower interest rates and economic recovery.

Restraint measures in Bill C–20 are an integral part of the government's plan for economic recovery. That plan is designed to restore strong continuing economic growth to create the conditions for renewed prosperity and in the interest of all Canadians I urge members of this House to support Bill C–20 on third reading.

Mr. Mills: Mr. Speaker, I wonder if I could seek the unanimous consent of the House to ask the minister a short question.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent?

Some hon. members: Agreed.

An hon. member: No.

The Acting Speaker (Mr. DeBlois): There is no unanimous consent.

[*Translation*]

It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for York West—Airports; the hon. member for Skeena—Fisheries; the hon. member for Halifax—Port of Halifax; the hon. member for Don Valley East—Manufacturing industry; and the hon. member for St. Boniface—Education.

[*English*]

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I would like to thank the minister for addressing the House and explaining why the government is presenting Bill C–20.

• (1620)

When I was listening to him I was reminded of a book I recently started to read by a professor in the United States, Albert Hirschman. It is called *The Rhetoric of Reaction*, and the subtitle is *perversity, futility and jeopardy*.

He begins his book with an interesting question: "How does a person get to be that way?" Then he says: "It struck me that this question is at the heart of our times, about the massive, stubborn, exasperating troubles people have in a democratic society".

I would like to just share with the House a short few sentences from this book because I think it sets the tone for what is happening between the government and the people of Canada:

"The unsettling experience of being shut off, not just from the opinions but from the entire life experience of large numbers of one's contemporaries, is actually typical of modern democratic societies."

"In these days of universal celebration of the democratic model, it may be childish to dwell on deficiencies in the functioning of western democracy. It is precisely the spectacular and the exhilarating crumbling of certain walls that calls attention to those that remain intact or to risks that deepen."

"Among them, there is one that can frequently be found in the more advanced democracies: The systematic lack of communication between groups of citizens".

I think the story of Bill C–20 is a parable of a government that has become removed from its citizens, a government that is unable to listen and unable to change its opinion. Our government started out in denial with Bill C–69 and it is in continual denial through each budget until we are faced with this legislation which is one more nail in the coffin of Canada's beloved social health and education programs.

This is not the first time this has been raised with the government. This is not the first time questions have been asked. To go back to the debates of June 4, 1991 in Question Period when the same minister was asked about the impact of cutbacks as pointed out by the National Council on Welfare, he denied that there would be any trouble.

He said: "I guess the first thing we can do to help the poor of this country is to get the deficit down". What did we hear today? On the same question, the Prime Minister was asked: "What about the indications that Quebec will get no transfer cash in five years?"

The Prime Minister, instead of acknowledging that it will be one of the major problems facing Canadian Confederation in the next while, stood up and said: "That statement is inaccurate and my hon. friend will see the numbers mentioned today are not at all justified by government projections".

We are seeing just the opposite. We are seeing one battle after another in which the same issues are raised with the government and the same denials are given. In the meantime, the country waivers in its confidence, loses its direction, loses the ability to finance its programs, loses its commitment among friends and is gradually becoming unravelled.

Each and every one of us in this House has the responsibility not to pull it apart, but to pull this government together.

Bill C-20 is the continuation of the strategy of using the stick. It takes advantage of the regulations, along with Bill C-32 and takes advantage of the Supreme Court decision to further the capping of the Canada Assistance Program, the EPF, and as well it extends federal authority to many other jurisdictions in order to ensure that if the federal government does not have the cash, it still has a say in the furthering of the health program.

I was listening very closely to the debate this morning. I share with most members of this House a concern for the future of medicare. Medicare will be the litmus test of this whole country in the 1990s. Whether we were able to finance it properly, reform it and keep it going, these will be the measures that people will use with their politicians.

In furthering the goal of protecting medicare, we cannot walk away from the other people in the system who have become dependent, and rightly so, on the federal presence. There are a number of programs which I will return to in a minute which should not be put in jeopardy because the government refuses to finance medicare properly.

If, as the minister seemed to be insinuating in his comments, the provinces are not spending the money wisely, that is an issue that this government has had seven years to raise with the provinces. To feel that the only way to teach the provinces a lesson is to use a stick against them is a failure of communication, a failure of political will and a failure to develop a tax system which people contribute to willingly because they see an objective at the end.

For these reasons I think the government's strategy has been incorrect and it is one that we oppose very strenuously.

Another part of the denial of the government is whether our system has deteriorated since 1984. If the minister had the opportunity during his busy schedule to listen to the groups that made presentations to the committee on finance, he would have seen just how many groups are unanimous in their feeling that conditions have deteriorated.

One of the more influential reports on health and social programs was just released last week and is entitled *Unequal Futures: The Legacies of Child Poverty in Canada*. The authors represent some very important groups, particularly in the Toronto region, such as the Child Poverty Action group, the Social Planning Council of Metropolitan Toronto, and also from institutions such as Ryerson and York University which have a long tradition of working in the area of social policy.

This document is a series of condemnations of this government. It points out the limits of promoting equal opportunities through education, which is now part of our system as a result of cutbacks. It says also that it is widely believed in Canada "that education offers poor children the chance to overcome the limitations of their family background, having been born in poverty third gender, having been born female and their race belonging to a minority group".

Education is seen as the most important equalizer of life chances. I challenge the government to show us in this debate one indication that Bill C-20 contributes positively to the education system in our country, either at the post-secondary level or other at levels that require commitments to English as a second language and to other indicators.

It goes on to talk about the erosion of social policies which support Canadian families. Fighting inflation "with high interest rates is driving more people into unemployment and companies into bankruptcy. Unemployment is a major cause of child and family poverty in Canada. It hits families harder than inflation".

In other words, the strategy is focused on the wrong objectives. The strategy should not be focused on inflation. The strategy should be focused on full employment. Every group in the country agrees except this government which pursues the strategy which is so distinct from the needs and the desires of Canadians that it is totally rejected by every indicator known in the country.

Whether we want to talk about the easy indicator of polls or whether we want to talk about the more serious ones of people marching in the streets, no one wants to deal with this government any longer.

"The abandonment of a public policy commitment to full employment and adequate minimum wage protection has been accompanied in recent years with this concerted attack on social programs and more seriously on fundamental principles which have reflected the underlying social solidarity among Canadians for decades".

Take minimum wage. Right now federal jurisdiction has the lowest minimum wage in the country. In response to a question from this side of the House, the Minister of Labour responded several months ago that it was a concern, he was looking into it and he would be right back to us. Those people are working under the government's jurisdiction and the government thinks that $5 an hour is a good sum of money. They are still waiting for word.

Probably another year will pass before we have an adequate minimum wage under federal jurisdiction because this government still wants to deny its responsibility for helping families. Forget about the people who for whatever reason are on welfare. Let us talk about people who are working. They are working for $5 an hour and this government does not have one minute for them. It cannot find the wherewithal after several years of governing to recognize what it is to work 40 hours a week for $200. It is not right to have a government say: "We are thinking about changing your wage, maybe we will move it up a dime or fifteen cents". Under what circumstances are Canadians to take government seriously concerning their welfare? Under no circumstances.

This report also points out the degree to which this government has shifted the burden of taxation to lower and middle income individuals and families. "In Canada, the overhaul effect of the tax system is regressive because of the shift from corporate to personal income taxes and the excessive use of consumption taxes which hit lower income families the hardest".

You can imagine that as more of an indictment of a government which talked tax reform when it came in, which has produced a series of budgets and at no time has it addressed the fundamental shift of tax burden to the middle income families. Then we heard there were rumblings from the Tories backbenchers. They want to have a tax cutback.

• (1630)

Welcome to the real world. Where were you when your ministers were forming the budgets for the last six years? Why did you not raise then that people were getting overtaxed? Now that we have a crisis and we have poor who need help, the very people we depend upon for their good will and their tax dollars are saying: "We are fed up". They are fed up because you guys blew it and the whole country is paying the price for it.

It is in this context that we came to deal with Bill C-20 in the finance committee. I must, before I leave the overview of the Canadian economy, just spend one more moment talking about the impact of present government legislation on the health care system in this country.

I know this has been talked about but I want to talk about a specific angle. One of the many food banks in this country is Winnipeg Harvest, which has been active for several years and is having such difficulty from time to time in Winnipeg that it is running out of food. We all know the statistics about food banks. It is raised in Question Period regularly, to no avail. We know that in the research presented to the House of Commons Standing Committee on Finance by Professor Moscovitch of Carleton University of the 900,000 people on welfare in Ontario, the so-called gem, the cornerstone of our economy, over 400,000 of those are young people. You have to stop and think about what that means and how many of our cities are desperately trying to deal with thousands of people trying to get fed.

Concerning nutrition, 6 per cent of the babies in Canada have low birth weights, which is a major contributor to developmental disabilities. Low birth rate is inversely related to income status. A 10-year study on the effects of improving the diets of poor women examined the effects of supplementary food on a large group of pregnant women. On average their diet was supplemented by only 530 calories, including 32 grams of protein. The babies born to these women have the same current prenatal and premature death rate as babies born to richer families, and were significantly more healthy than other babies born in public clinics and previous babies born to the same mothers. In other words, it is nickels and dimes as the world goes to save these babies and to give them a good start in life.

The child mortality rate is twice as high among poor families as among families at the highest income levels.

I could go on and give a number of statistics this way, but all it does is demoralize me and I am sure it demoralizes the many members of the House who are interested in this issue. What we are trying to do is create a new climate in this country in which people can debate with us and can talk with us because they know that we understand their insecurities and their uncertainties.

Certainly all the time I was growing up, and I am sure I speak for other members of the House, Canadians never thought they would see the day when people in other countries would talk about children dying in this country because of malnutrition. Any of us who are familiar with the reserve life in this country would know that that it is a daily reality. Those of us who see inner city hospitals such as the ones in downtown Winnipeg know just how tenuous life is for many young children. These conditions, for which they are not responsible, unless we step in they will never be able to change.

It is interesting when you go to projects in the inner city. I was at one on Saturday and it reminded me of just how little we know about the country. Here were people so pleased to be able to play a hockey game and have a place to change their skates and to have a hot dog. It is not fancy. What we are doing here is forgetting some of the basics as to what people need to have a good life. We have to get back to recognizing that unless people have those basics, their lives will crumble around them.

One of the more influential studies that came out on health care this summer, in June, was a study done by a Professor Thompson for HEAL, the health action lobby, entitled *Federal Support for Health Care: a background paper*. I thought this was one of the major studies that should be presented to Parliament because of the number of ways in which the federal government has undermined the program. I quote from Dr. Thompson's report:

> It is clear that the recent federal measures have made it more difficult for the provinces to maintain current levels of insured and non-insured health services, let alone to develop new programs in the areas of disease prevention and health promotion.

Given the minister's remarks of a few minutes ago that he thought the provinces were not spending money appropriately, he may be interested in taking a look at how Professor Thompson came to these conclusions.

The information provided by Professor Thompson on the amount of money being withdrawn from the system is some of the most impressive data I have seen. The estimates concerning the EPF are supported by the HEAL group. If you start with the budget year of 1986-87 and go through to the budget year of 1995-96, the federal budget will have pulled $42 billion out of our social, health and education areas. Think about it, $42 billion being pulled from the system. That is having a devastating effect across the country. On the health side that includes $30 billion and on the post-secondary education side, $12 billion. We wonder why tuition fees are going up. We wonder why universities are not being removed. We wonder why our system is falling apart. We do not talk about the fact that we have just pulled $12 billion out of the system.

On the government side, there is a former university president. If the University of Guelph lost as much money when he was president as it is losing now, I wonder what his comments would have been. I think he would have been pretty upset with the fact that his system—and he is now a minister responsible for it—had made a decision to pull $12 billion out of post-secondary education.

If you look at it by province just in the current year, for example, Newfoundland loses $71 million in health, $29 million in education. Prince Edward Island loses $16 million in health and $7 million in education. Nova Scotia loses $111 million in health and $45 million in education. New Brunswick loses $90 million in health and $37 million in education. Quebec loses $843 million in health and $340 million in education. Ontario—and this is the crisis the Ontario government is going through—loses $1.2 billion in health and $489 million in education. Manitoba loses $136 million in health and $55 million in education. Saskatchewan loses $125 million in health and $50 million in education. Alberta loses $308 million in health and $124 million in education. British Columbia loses $390 million in health and $158 million in education. The Northwest Territories loses—even it does not escape—$6 million in health and $3 million in education. Yukon loses $3 million in health and $1 million in education. That is a total of $4.6 billion being taken out of the system.

Sooner or later this is all going to catch up to us. It is up to us as parliamentarians to begin an earnest debate in which we recognize that the time is coming very rapidly toward the end of the system and that we have to fight back now and begin to reform and finance it properly.

The conclusions of this report are worth our consideration:

> The recent reductions in federal support for provincial health and health care programs are a matter of grave concern. These reductions are large and growing, to borrow a phrase from the former Minister of Finance. The $3.3 billion shortfall in respect to health programs in the current year will grow to $4.2 billion next year and to $6.6 billion in 1995-96.
>
> This problem is compounded by the fact that cash payments in respect of insured health services will begin to disappear in the second half of the decade. The federal government has recognized it will then no longer be able to enforce the program criteria and conditions in the Canada Health Act, and accordingly has indicated that legislation will be introduced to permit withholding of an amount otherwise payable under the programs.

That is the nub of the problem that we are coming to today.

There were several groups that showed up to meet with the Standing Committee on Finance. It should have been a health matter, but it was sent to the Standing Committee on Finance. Each of these groups had a common theme. We do not expect you to open up your cheque book in an unlimited fashion. We know there is no money in the system. We know we have to reform, but quit using the stick. Every time we hear a budget, you are saying less and less. Quit refusing to recognize that we are trying to change things. There are new groups, such as the HEAL group, which is an extension of several important groups in the health area that want to work together. You cannot work together unless the people who are funding the process understand the dilemma and understand that this is not the 1960s, as the minister says, it is not the 1970s. Everybody knows that. That is a cliché.

• (1640)

It does not mean that you have to be mean and miserable to get the results you want. These groups came forward time and time again to say: "Quit doing this to us because we would like very much to participate and to reform this system. We know there is not going to be more money, but if you give us less and less then you are going to miss this opportunity in this window for reform".

The Canadian Federation of Students noted in its brief that it wished Bill C-20 withdrawn so that it could begin meaningful discussions on the future of post-secondary education in Canada. "Enough is enough", it wrote. What could be a clearer message for the government.

The Canadian Federation of Labour wrote: "The continuing freeze in transfer payments will have serious implications for the future of medicare. Medicare is a national program which Canadians hold in the highest esteem. For many Canadians medicare has become much more than a social program, it is a good part to what defines Canada. The erosion of medicare will not only have serious health and financial implications for many Canadians, it will further damage our national identity". This is a clear message to the government.

The Canadian Hospital Association joined in. The Canadian Public Health Association made the same notes when it said that Bill C–20, as a result of the budget, an act to amend the funding of health care, will not be sufficient to prevent the erosion of these principles over time.

The city of Toronto's Department of Public Health stated: "As one of the largest public health departments in Canada, we are responsible for preventing disease and promoting health for approximately 623,000 Toronto residents". It as well argued that Bill C–20 would seriously undermine its ability to deliver health care.

The Concerned Friends of Ontario, citizens in care facilities had the same opinion. End Legislative Poverty had the same opinion against the legislation. Home Support is made up of people who are very much innovative in the process. It stated: "We believe that the freeze in transfer payments in place since 1990 seriously affect the ability of many provincial governments to adequately finance health care services. We also feel that the ongoing reduction in cash transfer payments will undermine the federal government's authority and ability to enforce the standards of the Canada Health Act". Is anybody listening to groups like that?

The Hospital Council of Metropolitan Toronto had a strong statement. The National Pensioners and Senior Citizens Federation said: "The continuing freeze in transfer payments will have serious implications for the future of medicare. Medicare is a national program which Canadians hold in the highest esteem. It will further damage our national identity to end this program".

The Occupational Health Centre in Winnipeg had the same strong viewpoint.

The Ontario Coalition for Better Child Care said: "We believe the potential implications of Bill C–20 to be far more far–reaching than any single piece of legislation to date. All Canadians should have the opportunity to make their voices heard on such an important issue".

The St. Boniface General Hospital wrote in for an opportunity to speak with the same reasons. The Canadian Federation of Business and Professional Women's Clubs also had something to say.

These are not your cry babies, these are not people you would expect to have out at your local neighbourhood meetings when you know you are only going to get social policy groups, these are mainstream organizations which are realizing that the fundamentals of this country are being undermined.

"Canada has a future in which she will be required to be more and more competitive in the world marketplace. Without a work force properly trained in the skills and technology necessary to meet this challenge, we doom our businesses and citizens to an ever increasing downward spiral with ever lower standards of living. As women we are particularly conscious of this fact. The majority of people living below the poverty line in Canada are women and children. Without the necessary funds to ensure that schooling programs are available to continue to teach and upgrade skills and to ensure that financial assistance is available to assist women in benefiting from post–secondary training, we will never be able to break the poverty cycle". Again, this is a clear message to the government.

I would like to use the major part of my speech to address what I consider to be the fundamental flaw in this legislation. This was raised with the government when it tabled its budget in February and raised again subsequently in the debate in the House and in committee and that is the constitutionality of clause 4.

Clause 4 is an effort by the federal government to extend its authority in health care legislation to ensure that the health care system is protected. Nobody in their right mind would say they wanted to undermine the health care system. Since the federal government is conceding that there will be less cash transfers in the system, therefore less leverage it will have with the provincial governments due to cash, it has recognized that it has two choices; either to abandon the field or to extend its authority over the provinces through the back door.

The implication of Bill C–20 is to open up this back door. We object to this back door approach because it makes other groups very vulnerable to the vicissitudes of a government which without cash wants to protect its political base. This government knows that if it is caught in any way, shape or form appearing to undermine medicare that it is "done like dinner". It is one in which

it will be totally undermined and in fact will lose its political base in the country.

The government very quietly introduced a piece of legislation which I guess superficially is a good idea. We do not have cash in the health care system, scoop the cash out of other programs and force the provinces to behave just the way you think they should.

Which programs can they scoop out? Let us take a look at this: equalization payments, a total of about $8.4 billion is available to them; territorial financing, about $1 billion is available to them; grants in lieu of taxes, $344 billion is available to them; the public utilities income tax transfer, another $280 million; statutory subsidies, $36 million; the Canada Assistance Plan, that is available to them now, $6.4 billion; crop insurance, $270 million; the formula payments under the official languages and education, $243 million; miscellaneous health and welfare transfers, $170 million; the young offenders services, $158 million; justice transfers, $77 million; transportation transfers to provinces and municipalities, $69 million. All these are now made vulnerable because of this particular strategy of the federal government.

Many groups came to us with the firm belief that this was not only mean spirited but in fact was unconstitutional. We were presented at committee with the legal opinion by a Toronto law firm, Goodman & Carr, that Bill C–20 was vulnerable to constitutional challenge. For one of the few times in the history of the House of Commons, and I would have to ask the Table when they had seen it before, this legal opinion has been appended to the report of the committee to the House so that the minister fully understands that committee members were concerned about the constitutionality of clause 4 and the strategy of taking transfer payments from other programs to protect health care.

The reason for the seriousness with which we approach this is as follows. The law firm points out that Parliament has a capacity to unilaterally alter the terms of a range of existing federal–provincial fiscal arrangements, but the question is can these changes be imposed for the express purpose of supplementing the federal government's dwindling cash contribution to provide health insurance plans and preserving its ability to enforce national standards and health care through the Canada Health Act.

The opinion of the law firm is that as a matter of strict legal principles, they cannot, that Bill C–20 is vulnerable to a constitutional challenge on grounds discussed within its opinion. The question of Bill C–20's vulnerability to constitutional challenge must be answered with reference to the organizing principles of the Canadian state. Canada is a federal state, as they point out. This means that the totality of legislative power theoretically available to the government of any state is shared by two levels of government and that one cannot move into another area without a history of legislation and discussions and laws.

By contrast, it may be argued that to enact legislation such as the Canada Health Act which in addition to providing for the mechanics of the transfer requires provinces to make specified policy choices, that is health insurance plans would be publicly administered on a non–profit basis, is to find indirectly what the federal government cannot do directly due to its lack of legislative competence.

• (1650)

It goes on in this particular decision to point out that there has been a shift in position by the federal government which is very important. This shift is away from voluntarism, which is an argument that a province could choose to pursue different policy objectives from those established by the federal government in the Canada Health Act by simply choosing to forgo the federal cash contribution to its health insurance program.

The national standards established by the act appear very different in the light of Bill C–20, however, compulsory rather than voluntary. In this case if a province chose to exercise its legislative competence and enact legislation which conflicted with the Canada Health Act, the federal government would be entitled to penalize the province by withholding an amount that reflected the gravity of the breach of standards from any moneys owed to the province by the federal government.

Of necessity any sanction imposed under Bill C-20 would exceed the federal government's cash contribution to the province's health insurance program.

In order to relieve itself of the obligation to maintain the national standard established by the Canada Health Act, therefore a province would have to withdraw from every federal-provincial fiscal arrangement involving the transfer of funds from the federal government to the province, an impossible and unrealistic task and practice.

In the view of this law firm the effect of Bill C-20 is to alter the character of a sanction under the Canada Health Act from the withdrawal of a privilege, i.e. access to federal funds to supplement the provincial health care budget to the imposition of fines, i.e. the refusal to transfer federal funds designated for programs other than health care and to which the province is otherwise entitled.

The implication here is that in order to get what they want done and to avoid putting in more cash, to avoid the issues of tax reform, of properly funding Canada's social programs, the cabinet is going to look around to see who is vulnerable, who does not have a political constituency. Is it the poor receiving money on welfare through CAP? Is it the students who need loans? Is it the faculty who need new libraries and proper facilities? Who is vulnerable? Is it the city of Ottawa? Is it the city of Winnipeg? Is it the core area initiative? What is it? What is vulnerable?

Let us show the provinces that we are boss and let us take money from these because we know the provinces will not risk health care to protect these little programs. When the provinces have to choose between maintaining a health program and maintaining a core area initiative, a child care program in some small community, we know what choice they will make because we know where all the fuss is and we are all politicians and we know what people are concerned about. But it is a mean and miserable attitude that has to be drawn to the attention of the Canadian public and we have to form a coalition to stop it.

Our party has a fundamental disagreement with the NDP on this issue and this came out in the committee and in today's debate and the way in which they wish to have the act revised. They avoided discussion on clause 4 today because in committee they acceded that it was better to have clause 4 than not to have it at all.

My argument is that one has to be very careful in acceding to any government, particularly this government with a very right wing agenda, the total authority to arbitrarily choose who is going to be vulnerable and who is going to pay the price for a good health care system.

The payment for a Canadian health care system is both a national and a provincial responsibility. We all benefit from it and as taxpayers, we all contribute to it. As such, it must be maintained in the context of Canada's taxation system in Canadian priorities and health and social legislation as one of our highest priorities.

In answering the health needs of Canadians, we cannot walk away from other needs. It is not as nice to be talking about the needs of poor people and the needs of aboriginal people and nobody really wants to dirty their hands by saying they really need a lot of money, they need a lot of resources. Everyone wants to walk from that.

Our party wants it to be known that we are not going to walk away from this. We are not going to accede to legislation which allows the government to pick and choose who it is going to help and who it is going to hurt in order to maintain a health care system. It is the responsibility of the federal government to organize its house so Canadians feel secure that their health system is protected and at the same time that other groups are not going to be abandoned. Our party is willing to oppose this legislation at every step of the way. In conclusion, I would just like to touch briefly upon another point that I am sure many other members of the House will raise and discuss in more detail, and that is that this bill is the introduction of several what appear to be minor changes to see to the implementation of the Unemployment Insurance Act.

Subsequent to the introduction of this legislation, this government has seen the economy tumble even more dramatically than it has tumbled before. In the spring we are going to be faced with perhaps hundreds of thousands of Canadians, without exaggeration, whose UI benefits are running out and who are going to be forced for the first time in their lives to go to welfare.

It does not matter whether we are talking about communities such as Windsor or my own in Winnipeg, or some other communities represented on the other side of the House, Toronto, Prince Edward Island, there will be people who are running out of UI. This government today, in continuing to press for the conclusion of this legislation and seeing it through the House, has again refused to recognize the devastating effects that UI changes are having on Canadians.

Again taxes are being increased through the back door without providing any benefits to the people who are desperately in need. Furthermore, changes to the training component has completely undermined the organization of training among social groups in this country. It is a total abrogation of responsibility for which Canadians are going to hold this government accountable.

In conclusion, I would like to introduce an amendment:

I move:

That the motion be amended by striking out all of the words after the word "that" and substituting the following therefor:

Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, be not now read a third time, but that the said bill be referred back to the Standing Committee on Finance for reconsideration of Clauses 2, 3, 4 and 8.

The Acting Speaker (Mr. DeBlois): The Speaker will check to see if the motion is in order.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, let me first say that the speeches which have been contributed to this debate by both the minister at the start of the debate and by the health critic from the Liberal Party, the member for Winnipeg, are good statements of their political positions. I congratulate both of them for putting those positions well and for putting them with a sense of sincerity and a clearly strong belief they both feel within those positions.

I just want to mention briefly, before moving into my speech, the point made by the health critic from the Liberal Party. I think it is very important for us to deal in the real world in this House. Part of dealing in the real world is to recognize that sometimes provinces will seek to escape obligations which exist under the Canada Health Act. There must be some clear commitment on the part, not of this government which is temporarily in office now, but on the part of Parliament which will adopt or reject this legislation. There must be a clear commitment, a clear signal to all provinces that the Canada Health Act is central to what constitutes our vision of Canada. The accessibility to that system, the portability, the fairness with which that system operates is so crucial that there must be a strong commitment to financial penalties if a province chooses to reject commitments to the Canada Health Act.

• (1700)

The representative from the Liberal Party has suggested that section 4 provides some such penalties. Our view as a party is not necessarily that these are the best protections or that these are the best kinds of penalties to establish.

Within the Canada Health Act as it presently stands there is the capacity to impose certain penalties. It is an act incidentally which was passed by the Liberal Party.

I want to quote to the House from the Canadian Public Health Association which to my mind gave one of the strongest briefs to the finance committee looking at Bill C-20. They said very clearly:

We support clause 4 which reinforces the federal government's role in maintaining fiscal and legislative mechanisms to achieve compliance with national health care standards.

That is what is at the heart of our concern with this entire piece of legislation which is in front of us. We have here something which is fundamentally an attack on the future of the medical care system in this country. It is a system which Canadians across this country are proud of, believe in and want to see survive.

It is an attack as well on the security of funding for the post-secondary education system in this country. It is an attack on small business and on workers in the extra fees imposed for unemployment insurance which are put into place.

Over all it represents not a serious effort to deal with the deficit problem in this country. Instead it is a mechanism by which the deficit problem is transferred to the provinces. It is a mechanism by which the provinces are faced with having to pay the bills which federal governments, both Liberal and Conservative, have failed to pay for the past 15 years in Canada. For that reason our party strongly opposes this piece of legislation.

I want to start out if I could with the prepared points that I wanted to make on some quotations from a previous speaker of the opposition. They were very strong quotations and very powerful positions which were put.

Let me quote from one previous occasion in which there were cutbacks of the sort that were made in this piece of legislation. A Leader of the Opposition at that point said:

> The problem with the medicare system resulting from those cuts arose because the federal government reneged on the commitments it made to the provinces and cut back very drastically on the dollars it sent to the provinces who are charged with administering and paying for medicare.

This same Leader of the Opposition went on to say that his party was: "in favour of quality medicare, universal medicare delivered to our citizens". "The problem," he said, "has arisen because of a unilateral and arbitrary cutback by the federal government to the provinces who are charged with footing the bill". That is the problem. That same Leader of the Opposition went on to say that his government, if it was elected, would restore the original 50/50 split in medicare costs between the federal and provincial governments if elected to office.

Members here in the House may wonder who this opposition leader was. Was it the member for Vancouver Quadra attacking previous Conservative budgets? Was it perhaps the Leader of the Opposition who presently sits in the House as Leader of the Liberal Party? Was it perhaps my colleague from the city of Windsor at the time that he was Leader of the Opposition for the Liberal Party?

No, those commitments and those criticisms came from the Leader of the Opposition who is now Prime Minister of this country. The Prime Minister before he was elected said the problem was: "the unilateral and arbitrary attacks by the federal government on the provinces". He promised to restore the 50/50 split in medicare costs. That particular quote comes from *The Ottawa Citizen* of August 24, 1983. The previous quote was from the *Vancouver Sun* of August 8, 1983. This was during the course of a campaign across the country on the medicare issue.

Yet what do we see from this government? We have seen four straight attacks of exactly the same kind that this Prime Minister criticized in opposition. These were attacks which arbitrarily and unilaterally cut back the transfers to the provinces and laid that deficit load on the backs of those provinces.

The judgment has come in to the finance committee from dozens of groups across this country as to the effects of this approach. Some of the presentations have been quoted by the previous speaker for the Liberal Party. Let me quote a few more.

We can quote from the Canadian Federation of Students that stresses:

> The effects of Bill C–20 and its predecessors must be considered in the context of a long list of government initiatives which are affecting students. Two years ago the government began privatization of Canada's student loans program. This year there is a 3 per cent tax on student loans, an application of the goods and services tax to students' books and closure of the Canada Employment Centres on campuses across the country.

Students in post–secondary education have been hit extremely hard.

The Public Health Association has indicated and provided its judgment to the committee. It is one of the most respected groups across this country. It said:

> The position of the Canadian Public Health Association is that unilateral funding cutbacks to medicare are not the only, nor even the most effective way for the federal government to address financial restraint issues.

Let me quote what the the Hospital Employees Union said to the committee:

> For many Canadians medicare has become much more than a social program. It is a good part of what defines Canada. The erosion of medicare will not only have serious health and financial implications for many Canadians it will further damage our national identity".

Let me quote from the Canadian Medical Association which is perhaps the most critical of all. Here is a group that you would have thought the federal government would have at least consulted before going at the gutting of our medicare program. It did not even consult them. No discussions took place whatsoever with that group of people charged with perhaps the highest responsibility in the medical care system. What is the judgment of the doctors of this country of this government and what it is doing to medicare? What is clear to the CMA and the health community at large is the changes in EPF transfers including this proposed extension of the freeze have destabilized the system and its capacity to continue to provide high quality health care services to all Canadians.

• (1710)

I ask you, Mr. Speaker, if we as a House can accept an approach which even flies in the face of the strongest possible recommendations of the doctors on whom we depend to run our medical care system. We could talk about nurses as well. They said in their brief to the committee that Bill C–20 represents the fourth successive attempt by the government to limit the federal role in medicare. The effect of these changes is set out in tables that they gave to the committee which indicate that the government since 1985, when it took its first step against these transfers to the provinces, has saved over $42 billion. The great bulk of that was $30 billion in savings in the health area.

That tells us in graphic detail the way in which this government has transferred its obligations, its responsibilities and its promises to the backs of the provinces. Consequently there have been provinces across this country that have been terribly hard hit. Some have been able to keep the medical care system basically going. But others have essentially had to break their commitments under the medical care system in this country.

British Columbia for instance raised its premiums. Annual family coverage in British Columbia costs $840. Manitoba significantly reduced its dental and hearing coverage for children and has introduced a $50 user fee for northern residents who travel south for elective surgery. Nova Scotia has reduced its dental coverage for children and its drug coverage for seniors and the poor. Saskatchewan has made its seniors pay 25 per cent of prescription drug costs and made nursing home residents pay for their medication. It has also raised home care fees by 15 per cent. Newfoundland under the Liberals has closed 360 acute care beds and laid off 1,500 health care workers. Quebec has proposed a $5 user charge for the "frivolous" use of hospital emergency wards. Alberta has closed two community health centres, raised medicare premiums by 13 per cent and forced seniors to pay 25 per cent of the cost of canes, wheelchairs, walkers and other medically related items. That is what has happened as a consequence of what was $42 billion in savings. It has not just somehow disappeared. It has gone into provincial deficits. It has been passed on in terms of increased expenditures which people have had to put across to get basic medical care coverage in this country.

The answer is not to be complacent about the medical care system. We have to be concerned about the cost of medicare. In fact we had presented to us from the Canadian Co–Operative Association a whole set of recommendations and ways in which to move toward reform of medicare: less institutionalization of older Canadians, less ordering of unnecessary tests, more use of community clinics, more careful prescribing of drugs. A great many things can take place. There has to be that reform.

We heard from every group that spoke to the finance committee that to deal with the escalation of health costs, to make these reforms, these changes which will make the health care system even more efficient than it is at the moment, we have to provide some latitude. We cannot squeeze and squeeze and squeeze. We cannot bankrupt the health care system in this country by the freeze being extended for a further three years on EPF transfers.

The same thing will be discussed by some of my colleagues with respect to the UI changes that hurt small business and workers and the post–secondary education problems created by this bill. But the biggest threat this legislation represents is the threat to something all Canadians hold dear, and that is the threat to medicare. We are going to fight as hard as we can in the House and outside the House to prevent this threat to medicare from being carried through.

The Acting Speaker (Mr. DeBlois): I am ready to rule that the motion tabled by the hon. member for Winnipeg North Centre is in order.

Mr. Derek Blackburn (Brant): Mr. Speaker, I listened with care and considerable interest to the remarks made by my colleague from Essex. It is manifestly clear to us in the New Democratic Party that Bill C–20 and the extension of the freeze on the EPF envelope is just further evidence that the government wants health care programs and education at the post–secondary level to fall more and more within the purview of the corporate agenda or the marketplace and less and less as a component of social policy in this country.

As the minister knows or should know, one of the great characteristics of our country in contrast to the United States, for example, is that we did have a social policy in this country that set us apart, that made us a kinder and more gentle society and a more caring society. This bill certainly takes away from that social approach established in this country some 40 years ago and which, I am very proud to say, my party has had a considerable impact on and influence over.

I have a question for my colleague from Essex. I would like to ask him, having listened to his remarks with respect to Bill C-20 and its impact on Canada as a whole and on the national economy in general, how this bill and its provisions will impact on his constituency and on the region he represents.

• (1720)

I am speaking now of the Windsor region and the rural area as well around Windsor. It is an area very similar to my own, the federal riding of Brant that has been very, very devastated by this recession as it was in the early 1980s. Certainly this time the impact has gone even further and deeper.

I would like to ask my friend and colleague how this bill affects his constituency and the region of Windsor where he comes from?

Mr. Langdon: Mr. Speaker, I thank my colleague from Brant for the comments and for the question.

One thing it is important to say with respect to some of the comments my friend made is that we perhaps do not understand in this country just how much better our medical care system is than that in the United States.

I wanted to add to the record a quotation which I was not able to include in my speech from the National Federation of Nurses Unions which was reporting with respect to this question. It indicated in the following in its brief: "A recent study comparing Massachusetts and Manitoba found that in nine of eleven surgical procedures Manitoba residents had lower mortalities than patients in the Massachusetts hospitals. In comparison to the United States, Canadian mortality and life expectancy rates also confirmed that Canadians had superior health status". We are talking about a system that really has a fine record, but a system which is under terrible strain.

I certainly can see it in my constituency. The strain is very much there with respect to the hospitals in my community. It is seen not just in problems of beds having to be shut down because of cost pressures. It is seen in the queuing which is having to take place. It is seen in people in fact having to go across the border to the United States in order to have heart problems looked after, for instance. This is something which certainly should not be taking place in our country. We have tremendously skilled medical practitioners. Oftentimes we have the facilities, but the facilities are not operative because of the cost squeeze imposed upon them by these $30 billion worth of cuts since 1985 that the federal government has put into effect. These cuts will get worse.

In my community people look to their health care system as something which is a tremendous advantage that they share compared to their counterparts in the United States just across the river, but they also see the strain starting to grow. I hope for the sake of them, their health and for all of us in our country, that people in Canada will realize this legislation is just one more step in threatening the medical care system of this country.

Mr. Blackburn (Brant): Mr. Speaker, I have one final comment and question. It seems to me that the more we damage the medicare system in this country with cutbacks or freezes, the greater the negative impact that will have on those forces in the United States looking to us and to our medicare system as a solution to their privately funded medical system.

I have talked to American congressmen recently who said: "We are looking to you to show the way". These are Liberal Democrats, of course, and some of them are actually Republicans as well who usually represent constituencies within large cities where there is a lot of poverty.

I would like to ask my colleague from Essex whether or not he sees this damaging of our medicare in Canada because of these negative funding techniques the federal government is putting into place as setting back the progressive forces in the United States trying to bring on stream a government sponsored medicare system in that country.

Mr. Langdon: Mr. Speaker, I think that is a very good point.

The finance committee recently made a trip to Washington to look at the question of how to deal with the deficit. Interestingly we were told by many of the government people whom we met there that in the United States it is being recognized increasingly that to deal with the problems they face, the ballooning costs of their system which are far, far greater than our system and escalating far faster, they are going to have to move to some kind of public medicare system.

It is being strongly opposed by some special interest groups, especially some of the private hospitals. I think if we in this country do not safeguard the system we have in Canada, such a superb system that it is but feeling the strains as I say, we make it much more difficult for those in the debate in the United States.

Their opponents will be able to look to Canada and see the problems in Canada. They will see the strains in Canada in our medicare system and say: "This is something that just comes with the public health care system as opposed to what it really is: something which comes with irresponsible funding provisions from a federal government to that public system".

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am happy to have the opportunity to speak in opposition to Bill C-20 put forward by the government.

I must begin by saying that I listened to the previous speech of the member from Essex—Windsor. I agreed with nearly everything that New Democratic Party member said. I hope the member can take his words today and pass them on to his friends at Queen's Park in the province of Ontario where I come from, because I like him share the view that the Canada Health Act is central to our vision of Canada. Any effort to dismantle or cut back in the maintenance and preservation of our health care system is really weakening the basic value system of this country.

I realize that the province of Ontario is in a very difficult position here. From the beginning of this Health Act, this has been a national government initiative. It has always been the national government that has taken the lead in terms of our national health care system.

Quite frankly, during the last election in my particular community one of the reasons that I was concerned about the Meech Lake Accord was the fact that the national standards of national institutions were in jeopardy.

• (1730)

A lot of us could see and sense that this approach of the current government of pushing things off on to the provinces was going to break these national services down.

Those of us who had concerns and who wanted amendments to Meech Lake were not anti-Quebec, but we could see in this document areas that were vulnerable. I believe this is a prime example where the national government is risking something that is core, something that is fundamental to the value system of this country. The value system I am referring to is one of Canada being a nation that is caring and compassionate. We have always exemplified that through the maintenance of our national health care system, with national standards that ensured every region of this country and every citizen of this country had access to universal medicare.

I listened earlier this evening to the minister responsible for privatization. He said that last week they listened to some experts when they were doing some pre-budget consultations in Toronto. These experts were telling the government that it was right on track, just keep going the way it was going, it was right on track. I have to say that I would like to know who these experts are and what track they are on.

I see the member here today from Don Valley East who I know is concerned about this issue because in his riding, and I share with him the responsibility, is the East General Hospital. The East General Hospital, which is one of the largest hospitals in downtown Toronto, is currently suffering from low morale. It is incredibly difficult for the professionals there to maintain the quality service that has built their reputation. It is primarily driven because of the lack of budget, the lack of resources to give the kind of professional service that has always been a standard in this country and which has always made us so unique.

As some members said earlier, people come from all over the world to study our medicare system. Right at the time when other countries want to convert to our system, we seem to be tampering with a process that is leading to it being undermined, which ultimately could lead to a second-class, second-rate system.

Therefore, I think it is very important that we focus on this issue. Our medicare system is something that has galvanized us as a country. It is something that has always given us great pride. It seems to me that whenever this government is faced with the arguments of fiscal responsibility, its immediate action is just to automatically cut, cut, cut.

I do not think the people of Canada will ever forget this government's use of that approach with our national medicare system. I do not think those of us who are in this House today would be forgiven if we allowed this legislation to go through without challenging it.

It is not as if there is a void of ideas as to how we can maybe improve the process of handling our medicare system.

I met a gentleman just three weeks ago, Dr. Michael Rachlis. I did not meet his co-author, Carol Kushner. They wrote a book called *Second Opinion.* I recommend it to anyone that is involved in the health care system in this country. It speaks about what is wrong with Canada's health care system and how to fix it. He details not just what some of the problems are with our health care system, but he is also providing all kinds of constructive ideas and solutions where we may be able to improve our medicare system without tampering or cutting back on the universal access and service.

He is talking about numbers where we could save anywhere from $8 billion to $16 billion if a proper review and a proper redistribution of the health care system was looked at. I am not saying that I agree with every aspect of all of his recommendations.

There are professionals who have devoted their lives to the medicare system in this country and it is incumbent on us before we take this approach of slashing and cutting back to pick their brains and to use their ideas and try some of these things.

The morale in the health care system today is very low. We are capping doctors. We are turning them into bureaucrats. We are not respecting their entrepreneurial skills. Some of these doctors want to work harder and work longer. They understand that this is a profession that is almost a vocation and yet at the same time, we are stifling them. We are bureaucratizing them in the name of fiscal responsibility.

It is time that we used the creative process in looking at this medicare system because the people of Canada are looking for us to come up with some answers in this House other than cut, cut, cut. The morale of this country, because of this word cut, has never been as low. There are alternatives.

The very last institution in this country that we should be tampering with is our health care system. As a New Democratic Party member said earlier today, it is central to the vision that we have all had and want to continue to have in this country and any attempt to alter or change that is a regressive step that is not going to fare well.

I plead with government members opposite and other members to stand up and oppose this government on this bill. Let us send this legislation back and cut off this thinking that we can tamper with our health care system, which is only going to lead to a further deterioration of the already low morale that exists in this country.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I want to compliment my hon. friend on a forthright and to the point good presentation.

Mr. Milliken: As usual.

Mr. Mifflin: As usual. I know of his genuine concern for our national health care system and the difficult position that our doctors and our nurses and our health care system are getting into, reducing the number of hospital beds and all that sort of thing. It is being faced by all of us. I am sure it is not much different in Toronto from what it is in my riding and indeed all of Newfoundland and Labrador where people are now feeling the pinch. The money is not there, the doctors are worried , the health care boards are worried, hospitals are actually being closed and the number of beds have been reduced.

There is another aspect I am sure the hon member would like to comment on. Unemployment is pretty bad in Toronto right now. It used to be that people from my riding, where traditionally unemployment has been high, would leave for Toronto and indeed the hon. member's riding. Indeed, in the hon. member's riding I think he has a considerable number of people from Newfoundland and Labrador and indeed from my riding. I met a few of them when I was up there a few years ago. It was a real pleasure to meet them. They cannot leave Newfoundland and go to Toronto any more because there is no work in Toronto.

• (1740)

I am sure that the hon. member has discussed this with his constituents. It is a major concern of those of us on this side of the House. I am referring to the way that the government has treated unemployment insurance. Every

single promise it made on this particular sensitive issue has been broken.

Just two weeks ago we spoke in the House, the hon. member for Restigouche—Chaleur and others, on ways that we could be more sensitive, or at least the government could be more sensitive, in recognizing those people who had to serve on juries to have their claims honoured. I still do not understand why the government will not go along with that.

I am concerned about a very sensitive issue in the sense of promises that have been made by the Minister of Finance who, when he introduced his budget, said they would look after any further deficits in the unemployment insurance fund.

In the relatively short time that the hon. member and I have been in politics, the employee cost has gone from $1.95 to $3. That is a 60 per cent increase. It does not sound like very much when you say it, $1.95 to $3, but that is for every $100 of earnings.

For the employer who pays roughly 40 per cent more, it has gone from $2.73 to $4.20. The government is not paying anything. It used to pay 31 per cent. It does not pay that any more.

I would like to ask the hon. member if he is getting any flack in his riding on this broken promise of not to increase the fees and not to change it—indeed before the last election nothing would change in unemployment insurance—how it is affecting his constituents and what he is telling them that the government might want to do next.

Mr. Mills: Mr. Speaker, I thank my colleague for the question. This government through its crazy tax designs has basically broken the morale of entrepreneurship in this country. In the process of doing that it has basically caused an unemployment rate that is scary in this country today.

What we have is a situation right now where those who are unemployed do not see any hope and even those who are employed are nervous that tomorrow or next week their jobs could be in jeopardy.

What is doubly crippling about this whole phenomenon is that the government continues through a litany of small taxes like this unemployment insurance tax to load up the few businesses that are left fighting to stay alive, fighting to get through the worst recession probably in the history of this country.

I just cannot understand where the government is coming from. I have said it in this House before. I would rather have an extra two, three or four billion dollars on the deficit and have those 1.5 million people working than have a $30-odd billion deficit and have almost 2 million people not working, not paying tax, who have to be supported by the few that are working.

I think this government's system and attitude toward the UI fund, the UI premiums is once against short-sighted. It says it listens to the experts who are telling it they are on track. I come from the same area as the minister of privatization and I cannot find any of these experts who say the government is on track. I cannot find any experts even from Midland, or Penetang, who are saying that this government is on track.

I think this is just another example where the government has basically thrown this line out that it maybe met someone in some sort of casual meeting and maybe somebody casually said it was on track. It is not listening to a majority of Canadians.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the colleague who has just spoken, the member for Broadview—Greenwood, mentioned unemployment in the context of the debt and the deficit. I wonder if he has given any consideration and might have any comments on the extent to which reducing unemployment, in fact investing in getting people back to work, would actually assist with reduction of the debt and deficit.

It seems to me that with the large number of people not working, not earning income, therefore, not paying taxes and in fact receiving either unemployment insurance, welfare payments or other assistance they need to get through this, in fact every person in Canada who is not working is contributing directly to the debt or the deficit, that one of the quickest ways to get rid of the deficit is to have that 10 per cent of Canadians out there working, earning income, creating jobs for other Canadians with the goods and services they are purchasing and paying taxes rather than being in the unenviable position of relying on others for support.

Mr. Mills: Mr. Speaker, the hon. member for Ottawa West is so accurate when she focuses on the fact that full unemployment is obviously going to make a massive difference in the UI draw on this government Treasury. The forecast this year is somewhere in the neighbourhood of $16 billion, $17 billion or $18 billion.

I personally cannot understand why the government would not prefer to take a little bit of a leap of faith and put some program money, some capital expenditure money, on the table and have that force working where it obviously is going to move off the unemployment insurance draw and into a position where they are going to become active taxpayers.

This dismantling program, this cut, cut, cut and drive inflation right under the table, I cannot believe that the Bank of Canada is using a contemporary model for calculating inflation. I cannot find inflation anywhere in Toronto.

We met some farmers from western Canada last week and there is no inflation in western Canada. When are we going to stop playing this sort of gymnastic game on inflation and start realizing that there is a little bit of slack left and let us try to put people back to work.

Let us put people back to work. Let us make them taxpayers again and that will address the government's deficit problem a lot more quickly than this cut, cut, cut, demoralize the country program.

[*Translation*]

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I thank you for again giving me an opportunity to take part in the debate on Bill C-20, a Conservative measure aimed at inflicting hardship on this unfortunate country of ours.

Considering the scope and consequences of this bill, I have no choice but to express my apprehension. This legislation will undermine our education programs, medicare and social programs which have become the hallmark of this country. And the government has the impertinence to do this on the sly, with a bill that seems so harmless and technical, it could go almost unnoticed.

Unfortunately, by introducing such regressive legislation, the government contributes to the erosion of the social fabric of our country. One would think the Conservatives had signed an unconditional surrender and were abandoning Canada to its fate.

• (1750)

As far as federal-provincial relations are concerned, this bill gives notice that the government refuses to be actively involved in developing measures that would help rally people from all regions behind the Canadian flag.

How can a national government be so ruthlessly intent on reducing Canada to an empty shell? Instead of running this country in a responsible way and considering the needs of all citizens, the government is intent on balancing its budget, reducing spending in terms of our national debt and reducing the deficit at the expense of Canadian citizens. The government is using the deficit as an excuse. It has chosen to ignore the cost of the social deficit. It has abdicated its responsibilities.

Therefore, it does nothing to build the country, bring people together and ensure that all Canadians feel that they can benefit from belonging to our country. Since 1977, the federal government has contributed to health and higher education with tax transfers and cash payments.

Federal support for health and post-secondary education was to keep up with total economic growth every year. Unfortunately, since 1986, this support has been reduced, as a result of a series of decisions made by the Conservative government on the pretext of reducing the deficit. According to the report released by the National Council of Welfare last spring, if this trend continues, federal cash payments for health and higher education under the 1977 fiscal arrangements will completely disappear in a few years.

Furthermore, if federal support declines any more, as I said when this measure was debated last spring, Canada will have 12 different provincial and territorial plans, instead of the health insurance plan that we know, which varies little across the country.

If the system breaks up, we will very likely see several regions again allowing extra billing and charging hospital user fees, which the 1984 Canada Health Act almost completely eliminated.

Bill C-20 could have an effect on health care, child care, welfare benefits, income tax, grants in lieu of taxes for municipalities, grants to native people, and so on.

Farmers will be affected because crop insurance might be reduced. Graduate students will be particularly affected. These transfers may be cut, which would have an impact on services to young offenders. Legal aid programs could also be affected, as well as transportation grants to the provinces and municipalities. That especially concerns me because funding for airport operations may be particularly affected.

Charlo airport in my riding always needs funds and it cannot afford cuts.

The provisions of Bill C-20 concerning unemployment insurance clearly contradict the government's commitment to help fund this program in difficult times.

[*English*]

The bill we are examining today, this evening and probably tomorrow is a very complex one and a very technical one but it does have some very devastating impacts on all of Canada especially the regions of Canada.

Bill C-20 was introduced to implement four initiatives outlined in the February 1991 federal budget. I need not say here what Canadians think of that budget. One of the most important changes would provide amendments to the Federal-Provincial Fiscal Arrangements Act and federal Post-Secondary Education and Health Contributions Act. It would extend the cap on Established Programs Financing, or the EPF, transfers to the provinces.

Another proposed amendment would dramatically increase unemployment insurance payments for both employees and employers. The other two components would provide for the capping of sessional allowances. There is no problem with that. There would also be a continued freeze on tax grants for the provinces collected from public utilities.

I believe sincerely that we need a strong federal presence in our health care system. I believe that to have that strong federal presence we need a strong financial commitment from the government. This Bill C-20 does not do that. It puts the provinces in a very difficult situation. It gives them two choices. First, it can raise taxes. I can assure you right now that taxes are at their maximum limit federally and provincially so that gives them the second option of cutting services and programs. To me that is just not acceptable.

This bill is an attack on the health care system. It is also an attack on post-secondary education. So it goes far beyond withholding just EPF entitlements as a means of deterring the Canada Health Act.

It does affect education. I want to spend a few minutes if I may on the area of education. The government record on education has been mostly small talk. It has been playing public relations games by announcing nice programs and using nice choice words that sound great out there. If we look at their record we can see that the student loan program needs a complete review right across Canada. There has been no increased sums of money put into those programs since 1984. The government has turned around and levied a 3 per cent administrative tax on student loans. That is a complete shame. It is taxing people who just cannot afford it.

There is another thing I should mention as my critic's responsibility in the area of communications and culture. It is the first time that we have seen a government in the history of Canada tax learning. The Prime Minister has said in this House that we want to develop a learning culture. The government's policies speak against that by placing a GST tax on books and magazines. That is contrary to what the Prime Minister really wants. I would suspect that the Prime Minister should be reviewing some of his policies in that regard.

I want to also mention something I spoke of earlier regarding transportation. How does transportation—

[*Translation*]

The Acting Speaker (Mr. Paproski): One moment, please. I regret to interrupt the hon. member, but I appeal to everyone's co-operation. I have difficulty hearing the speaker, and I would imagine that others have the same problem. Therefore, I ask all members to co-operate. The hon. member for Restigouche—Chaleur.

[*English*]

Mr. Arseneault: Mr. Speaker, I would like to point out to those who are listening from both sides of the House that I did mention a little bit about transportation. You may wonder what this has to do with health care and post-secondary education. There is a part of the bill that needs to be brought down to a common denominator and that is this. The federal government is hoping to use other mechanisms to force provinces to maintain certain health standards across Canada. In other words, we are going to have national health standards. In the past since the federal government was contributing a fair amount of money to those programs it could use the power of the purse so to speak as leverage with the the provinces to make sure national health standards would be met.

With this reduction in funds going to the medicare system by the federal government we see it may turn out that there will be no money at all going to these provinces for medicare. As such there would be no commitment from the province or no leverage by the federal government to ask these provinces to continue their national standards. As such they have decided to introduce in this bill other mechanisms. They would like to take from other programs. They would say: "Listen, if you do not maintain your national standards then we are going to cut your funding somewhere else". That is why I want to speak to you this evening, Mr. Speaker, and through you to all the members of the House.

• (1800)

Transportation in my riding is a necessity. I want to mention two important points here. One point concerns the only airport that we have in our riding which is situated in Charlo. A number of years ago under the first Conservative regime it closed the weather station at that airport. It also has been trying to reduce the flight service station. They have cut back one ship.

I would like to point out two things with regard to those two cuts. One is that there has never been a major fatal accident at those airports before the removal of the weather station. But since the weather station has been removed there have been two flight accidents that have resulted in a loss of life. I cannot say that it can be blamed directly on the removal of the weather station but both were in inclement weather in the wintertime.

I must also say that with regard to the FSS it is the only flight service station that is fully operational in a bilingual capacity from the station to the pilot in Atlantic Canada. We are seeing a removal or a cutdown of that FSS in terms of a reduction in hours. I must say that this Charlo airport also serves the Gaspe peninsula. It is very important that we maintain services at Charlo airport and maintain the funding so there is no reduction in funding.

The other point that I want to make with regard to transportation is that we have two major ports in the riding. They are the port of Dalhousie and the port of Belledune. These are very well known internationally yet there have been no real federal initiatives. There has been money put into both ports by the federal government to improve the facilities from time to time. Both ports were developed under Liberal governments but there is something missing. There is no clear-cut strategy. With a region suffering from 18.5 per cent unemployment I would suggest that—

The Acting Speaker (Mr. DeBlois): Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 38 is deemed to have been moved.

AIRPORTS

Mr. Sergio Marchi (York West): Mr. Speaker, I have the honour tonight to raise and to discuss briefly a question which I asked the minister on October 28.

[*English*]

It concerned the question of the limousine and taxi industry servicing Pearson International Airport.

As the transport critic I repeatedly met with the taxi and limousine association. A major area of concern is the incredible rate of increase charged by the federal Ministry of Transport in the annual licence fees that cab and limo operators have to pay. The increase as of April was on average 500 per cent for taxis. That went up from $1,000 to $4,200 per year. For limos it went from $1,100 to $6,000. That is only the licence. Consider the cost of the upkeep of the car, the gasoline costs, the insurance

costs and paying any additional driver that may drive that limo or cab for the remainder of that portion of the day. That is the expense of the person behind the wheel.

In very short order we have an industry that is simply becoming uncompetitive and the additional costs of running that cab and that limo is subsequently passed on to the users who are the people who land and take off at the airports.

They are having to pay incredible rates from Pearson either to downtown metropolitan Toronto or anywhere else in the metro Toronto and area region.

Therefore, what the association has been asking for is a rollback. It is willing to accept some moderate increase in terms of its licence fees which have not been touched in the last number of years. It admits that, but there has been an increase overnight of some 500 per cent in the passenger volume, according to the manager of the airport. That is down some 5 to 7 per cent for the first time since 1982.

We have had additional permits granted because of Terminal 3 which does not generate any new traffic. It just splits the traffic three ways rather than two ways. We have drivers going out of business, losing the opportunity of continuing their livelihood and having the inability to put food on their tables. There is a great turnover in that business.

The same thing to a lesser degree is happening at the Montreal and Vancouver airports. Therefore, on October 28, I asked the minister if he would agree to have a rollback. He suggested in the body of his answer that had already been done. That is false.

He wrote me a letter several days after confirming that the rollback had not taken place. All the government froze is a further increase on top of the 500 per cent.

We are saying that we are in the middle of a recession. Airport numbers are down. We have passengers paying incredible rates to get from point *a* to point *b*. We have a limousine industry which is a monopoly and which needs to be looked into.

Therefore I ask the parliamentary secretary to right an incredible wrong.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the concerns of the taxi and limousine industry regarding the increases mentioned have been considered. Everything possible has been done to accommodate these concerns.

With respect to permits to date, 323 taxi and 236 limousine permits have been issued to operators for providing service at Pearson International Airport. In 1989 six additional limousine permits were issued for accessible vehicles but no fees were charged.

With respect to fees after years of discussion with the airport's taxi and limousine industry and the municipal representatives, a fee increase proposal was approved for April 1, 1991.

This was the first time since 1976, that is the first time in 15 years, that there had been any significant change in fees. The new fees reflect the business opportunity available to airport limousine and taxi operators.

With the opening of terminal 3 at Pearson airport, airport officials had proposed the issuance of an additional 50 taxi and 100 limousine permits. The additional permits were intended to continue the high level of service provided at terminals 1 and 2.

The airport taxi and limousine permit holders objected despite the years of consultation. Following the further meeting with representatives of the airport taxi and limousine operators which was also attended by the mayor of the city of Mississauga, additional permits and fee increases were reconsidered.

In September 1991 the Minister of Transport addressed both concerns by agreeing that there would be no further fee increases until April 1993. Further increases in fees will be based on the percentage increase in flat rate taxi and limousine tariffs established by the city of Mississauga.

There can be no rollback of the April 1991 fees, however, as the department must still recognize its fiscal responsibility and this point has also been made by the Auditor General.

With respect to new permits, it was decided that none would be issued until July 1992. The issuance of new permits will be based on a needs formula recommended in a Touche Ross report, presently being refined by airport officials.

Further discussions are planned with the airport taxi and limousine industry. Airport officials have committed to conducting a study of the airport ground transportation industry before any further adjustments are considered.

FISHERIES

Mr. Jim Fulton (Skeena): Mr. Speaker, I appreciate the opportunity to return to the September 16 debate.

I look forward this evening to hearing from the government just exactly what it plans to do to remedy the illegal boardings, seizures, kidnappings and cargo thefts that took place in relation to seven Canadian fishing vessels in Dixon Entrance during this past summer.

• (1810)

In 1989, when the *Fonzie* and the *Viscount*, two Canadian fishing vessels, ran into similar kinds of illegal boardings and illegal arrests and illegal removals from Canada, the then Secretary of State for External Affairs, the present Minister responsible for Constitutional Affairs, and then Minister of Fisheries and Oceans, the present Minister of Indian Affairs and Northern Development, did provide legal assistance in advance of any trial proceedings in the United States in relation to these vessels, something that has yet to take place from the two new ministers, the Minister of Fisheries and Oceans and the Secretary of State for External Affairs.

The question that I asked was a very clear and straightforward one. I quote from *Hansard*, page 2157:

> Would the minister explain to Canadians why the government has refused to lay charges against those members of the United States military who illegally seized Canadian vessels and forcibly removed Canadian citizens from Canada to the United States?

The Secretary of State for External Affairs said:

> We protested publicly and strongly and we beefed up our own surveillance on the other coast—

That does not get to the bottom of it. Increasing surveillance off of Atlantic Canada does not assist fishermen on the Pacific coast. The U.S. Coast Guard continued to come inside Canada illegally. I raised an emergency debate in relation to the U.S. Coast Guard vessel *Liberty* and the *Eliza Joye*. That vessel was detained a mile inside Canada. When the Canadian fisheries vessel *Lewis Reef* officers attempted to come on board the Canadian vessel a mile inside Canada, the military crew of the Coast Guard *Liberty* told Canadian enforcement offices they could not come on board a Canadian fishing vessel inside Canada, contrary to Canadian law, contrary to international law.

What did the Minister of Fisheries and Oceans have to say to the city of Prince Rupert? He sent it a letter dated November 21. It arrived November 26 in Prince Rupert and it says:

> The U.S. Coast Guard should not have made their arrests in Canada's internal waters south of the A–B line. The Canadian government reacted quickly to the arrests and made clear to the U.S. authorities—both orally and in writing—that American arrests of Canadian fishing vessels in these waters were unacceptable. This action was taken to protect Canada's sovereignty and is not, of course, intended to provide an escape route for Canadian vessels if the U.S. authorities claim they have violated U.S. law in undisputed U.S. waters.

This is a clear case of the enforcement authorities of Canada not proceeding to lay charges under the Criminal Code of Canada as is required in every other situation. There should be charges of theft, forcible confinement, kidnapping, illegal boarding, illegal seizure.

These are extremely serious indictable offences. I call upon the government to get with it. There are still many months and in some cases many years left on the time clock to lay charges, but charges should always be laid as freshly and as competently as they possibly can.

My constituents I think share the view I have expressed in this Chamber before that there is some kind of grisly tyranny of deception, misinformation and treason taking place when the U.S. military can come inside of Canada, can illegally board Canadian vessels, can illegally seize the captain and the crew, can steal the cargo and leave without any charges being laid.

I call upon the government to lay those charges against the U.S. military and to prosecute to the absolute limit of the law.

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and to Minister of Multiculturalism and Citizenship): Although I have only two minutes, Mr. Speaker, I will try to answer all those questions. It will not be easy, but I will conclude within the time allotted to me.

It is Canada's long-standing position that the waters of Dixon Entrance are internal waters of Canada. The United States disputes this, claiming a portion of these waters is subject to their jurisdiction.

This summer four Canadian fishing vessels were arrested by the U.S. Coast Guard in the Dixon Entrance south of the so-called A-B line, which Canada maintains is the international maritime and land boundary. The United States has alleged that these vessels were fishing in undisputed U.S. waters, north of the A-B line.

We made strong diplomatic representations to the United States in each one of these cases, protesting actions which we regard as contrary to international law and unacceptable to Canada. As a result of these protests, all of the vessels were promptly released and in the case of one of the vessels, the *Eliza Joye*, no charges were laid. Fines were levied by the United States in the other three cases.

We have impressed upon the United States the need to avoid these types of incidents in the future. If U.S. authorities have evidence that Canadian vessels are fishing north of the A-B line, we believe that a warning should be issued.

We have a long history of working to manage our fisheries relations with the United States along all of our borders, including Dixon Entrance. Our approach has been to protest these breaches of Canadian sovereignty and to ensure the safest possible conditions for our fisherman. There is no doubt that the United States has received this message loud and clear.

The hon. member also raised the question of U.S. submarine traffic, but my time has run out. In closing, once again I assure my hon. colleague that Canada continues as always to maintain that Dixon Entrance is part of its internal waters.

[*English*]

PORT OF HALIFAX

Ms. Mary Clancy (Halifax): Mr. Speaker, when will the government realize that if it wishes to speak the language of competitiveness it must learn the language of transportation, and that if it talks of transportation then it must talk about the port of Halifax?

Many times this fall I have asked this government to take some action to help save the major source of the Atlantic economy which is the port of Halifax. The government has answered with apathy, rising repeatedly to pass off the problem as one of overcapacity or to tell me that it would get back to me.

I am here to tell this government that Atlantic Canadians have had seven years of "we will get back to you" from this government, and we have had enough.

How many studies will land on the desk of the minister before he figures out that it is his policies and those of his colleagues that have put our port at a serious disadvantage in relation to its competitors?

The latest study which a damning indictment of the government's apathy initiative is from Ports Canada, and I quote from its key conclusion:

> To restore the Canadian railway industry's competitiveness *vis-à-vis* the U.S., government should adjust their fiscal and regulatory policies, including reduced fuel and property taxes, increased rates of capital cost allowance and allow for more abandonment of uneconomic rail infrastructure.

I want this government to announce immediately that it is moving to amend the National Transportation Act in order to conform to the recommendations of its own study.

Lower the tax burden that puts our American competitors at a nearly five to one advantage. Call in the head of CN Rail and ask why that Crown corporation is not doing more for the taxpayers of the region to bring the lines back.

Why does it not actively promote Halifax in foreign ports? Why is there no action for an entire decade of the 1980s when it was clear that Americans were going deeply into double stack service?

Further, I want the government to initiate an immediate consultation process that will bring decision makers from the municipal, provincial and federal fields together with industry leaders to formulate a recovery strategy. Too much time has already been wasted. If we work together we can ensure that what we will have to do is not done too little too late.

Why does the government have to apply its wrong-headed cost recovery strategy to shipping when it is so clear that neither other sectors of the industry nor our competitors will be doing the same thing? Cost recovery is a laudable theory, as long as everyone is playing by the same rules on the same level playing field. Let us finally get our act together.

It will require political will on the part of the government, a new and improved attitude that will encourage the fact that we in Halifax have the world's finest natural harbour. That plus some legislative draftsmanship is what we are asking for from this government. After that just let the people who work in the port of Halifax do what we have done best for 250 years.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the difficulties presently facing the port of Halifax are a manifestation of the highly competitive global trading environment within which all our major ports are operating. While it is true that some lines have announced a reduction or termination of service at their ports, other lines have indicated a new or renewed commitment to the port based on increase tonnage.

In January, NOL and NYK lines are expected to begin calling at the port. In addition, some of the lines that have remained at the port will increase frequency of services. Meanwhile it is the duty of all levels of government to do that which they can reasonably do to ensure and enhance our national and international linkages of which the ports are an integral part.

• (1820)

I have spoken on this issue before. I do not think the member wants me to list again all of the efforts of the local port, of Canada Ports Corporation, of the municipal government and of the railway, all in co-operation with the federal and provincial governments. She has heard it all before and she continues to be negative and to focus on the negative while others are working to promote the port. We are working together. I wish the hon. member for Halifax would get on board.

One thing the hon. member has not given me the opportunity to mention was the province's announcement of setting up a task force under the Hon. Gerald Regan to inquire into ways to assist the competitiveness of the port of Halifax. The task force has now announced its membership drawn heavily from the Halifax community who will, I am sure, well represent the concerns of the region.

I would also like to point out that the province of Nova Scotia has consistently assisted the movement of rail cargo through the province and that it remains the only province which assesses no excise tax on locomotive fuel, an element which has been consistently identified with contributing to the cost burden of the railways.

The Halifax situation has served to focus the Department of Transport on the entire question of intermodalism in Canada and the importance of container competitiveness to not just the major ports but to the nation as a whole.

The department is carefully monitoring the situation, examining ways in which the present intermodal links in the Canadian distribution chain can be made more effective and competitive. That is why Canada Ports Corporation as a federal agency is trying to facilitate a longer term co-operation between container ports and the railways to enhance the attractiveness of Canadian container routings in general and with the port of Halifax in particular.

MANUFACTURING INDUSTRY

Hon. Alan Redway (Don Valley East): Mr. Speaker, one afternoon during the 1988 election campaign I knocked on the door of the Hession family who live on Ellswick Road in the Parkview Hills neighbourhood of East York in metropolitan Toronto.

Michael Hession answered the door and he told me that he worked for the Colgate-Palmolive Canada Incorporated company. He was very much concerned about what Colgate-Palmolive would do if the Canada—U.S. Free Trade Agreement came into effect. He was concerned that the plant might close, that is the plant where he worked on Colgate Avenue in Toronto, and that the operations might be moved to the United States as a result of that free trade agreement. Of course, if that happened, he would lose his job and so would the many others who worked at that plant.

Mr. Speaker, I know you would understand those concerns and I understood those concerns as well. Prior to election day November 21, 1988, just over three years ago now, I made some in-depth inquiries of our own officials with the Department of International Trade and the Minister for International Trade at the time. I was assured at that time that Colgate-Palmolive had absolutely no intention of closing its doors and moving to the United States. Whether or not we had a free trade agreement with United States was immaterial, I was told; absolutely not, Colgate-Palmolive assured us that it had no intention of making that move.

I told Mr. Hession that and as you can imagine, Mr. Speaker, he was somewhat skeptical. However, he told me that he had faith and he had confidence in me regardless of what might happen and that he was going to support me.

From time to time after the election I continued to make inquiries because that conversation that afternoon with Mr. Hession haunted me. I continued to make those inquiries of our own department. I continued to make those inquiries of Colgate–Palmolive, and on each and every occasion I was assured that Colgate–Palmolive had absolutely no intention of leaving this country. It was here to stay. It was going to stay in that plant on Colgate Avenue in Toronto; no question about it.

Just about three months ago now, at the beginning of September of this year, Colgate–Palmolive announced that it would be closing its plant on Colgate Avenue in Toronto, moving 250 jobs to the United States. As you can imagine, Mr. Speaker, one of the first things I thought of when I got that call was Mr. Hession. I called him up and he told me that American management had come in and cavalierly announced that it was closing down the plant, moving it to the United States, moving those jobs to the United States. Of course what a horrendous shot that was to Mr. Hession and all the others who worked at that plant.

I contacted Colgate–Palmolive myself and was told it was too bad, that it was not just a Canada–U.S. decision. It involved world–wide operations. It was a decision based on global efficiency. Costly plants had to be updated. There was extra capacity in the United States, so it was being closed down and their operation was being moved to the United States.

Not much consolation for Mr. Hession or his family or those 249 other families involved.

That is just one example of many cases of a similar nature that has Canada and—

The Acting Speaker (Mr. DeBlois): I apologize but your time is over.

[*Translation*]

Mr. André Plourde (Parliamentary Secretary to Minister of International Trade): Mr. Speaker, I welcome this opportunity to respond to the hon. member for whom I have a great deal of respect. In 1984, the *Agenda for Economic Renewal* set out this government's strategy to put in place the policies and programs designed for Canada's long–term benefit.

Measures such as tax reform and expanded trade opportunities have enabled our manufacturing sector to compete on a more level playing field free from unnecessary and unproductive intervention by government.

First, the removal of the former federal sales tax has been important for Canadian business. The old federal sales tax offered a clear competitive advantage to foreign manufacturing concerns and was a silent killer of jobs.

And, second the Free Trade Agreement with the United States has afforded the Canadian manufacturing industry an unparalleled and historic opportunity for open and equal access to a market of 250 million people. Canadians are already seeing the positive results of this agreement. The value of all Canadian exports to the U.S. has increased by nearly $8 billion since 1988, to a total of $110.3 billion in 1990. This means greater output for our manufacturing sector and more jobs for Canadians.

It should be pointed out that the Canadian manufacturers have endorsed the actions of the Government of Canada in these areas. They recognized that the removal of the former federal sales tax and the implementation of the free trade agreement have improved their prospects for future growth. Despite these achievements there is more work to be done. This government will soon launch and initiative to invite all Canadians to fashion a new agenda for our future growth and prosperity.

All Canadians, including business, labour, educators and social action groups, will be encouraged to participate in a dialogue leading.

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I hope that my friend who will be answering my grievance will cast his notes aside and speak from the bottom of his heart.

In September I asked: How can you cut funding to education, close employment centres on campus and continue to talk about competitiveness, productivity and the fostering of a climate conducive to a learning culture? When you look at the facts, here is what you see.

[*English*]

If you look at the cumulative decisions that the government has made from 1986 to 1995, you will find there are 9 billion to 10 billion fewer dollars—not million, billion—for education, that there is less for training and retraining, in spite of the fact that we have gone through a Canada–U.S. trade agreement that has demanded all kinds of adjustments, in spite of the fact there are almost 4.5 million people who are unemployed as we speak tonight, 2 million people are on social welfare, and 1.8 million people who will be fed by food banks this year.

What has happened to training and retraining? They promised to double the investment. We used to be at 1.40 gross domestic productivity, half of what our major competitors are. Now we are down to 1.20 and we have cut science and technology and the government has imposed a 3 per cent tax on student aid.

I cannot believe the insensitivity of it. They have cut student centres on campus at a period when student employment was around 20 per cent. Student debt has risen and gone right out of sight. We are talking about people with debts of $25,000 to $50,000 increasingly frequently.

I was talking to a student just last week who was very close to being $50,000 in debt. Why? What has been the impact?

Tuition fees have sky-rocketed in the last decade. It is a 120 per cent increase, most of which has happened since 1986. We do not talk a lot about incidental fees. Another important component to students is these little fees that they have to pay for various services, and what have you at university.

Accommodation costs for food and lodging are right out of sight and those are a large proportion of a student's budget. What has happened? It is because of these cuts and reductions, and the increases that the government has off-loaded on to the provinces to the universities and to the students.

What offends me most is that it boasts of controlling expenditures.

[*Translation*]

It is as if I passed all my debts on to my wife, my children and my neighbour and then said: "Look, I reduced my debt". Is that good? No, it is not, it borders on dishonesty.

I am going to submit to you another point.

[*English*]

The government talks about how much it spent. Look at what it does. It looks at the cash transfers. When it talks about how much it invests in education, it looks at cash transfers and tax point transfers.

There is the double standard. I would simply like to complete my remarks by saying that I hope my colleague is going to speak from the bottom of his heart to answer honestly my question which is: How can you cut funding and still talk at length about the things you want to achieve in education? There is an obvious contradiction there.

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and to Minister of Multiculturalism and Citizenship): Mr. Speaker, I understand how my hon. colleague feels. I want to talk to him from the heart. Indeed I have already discussed this with him and I talked to him from the heart.

Unfortunately we will not be able to make great declarations in just two minutes. But the part that comes from the heart has to do with the fact that I also have a child that is presently attending the University of Montreal. I can assure you that since loans were not repaid in the past, because of the negligence of the banks—the government guarantees these loans so the banks do not make any efforts in that sense—we are lucky that there are still loans for students today.

I would like to remind my hon. colleague that the 3 per cent cost may represent some $80 over $2,700 for 200,000 students. This may be the assurance that this Canadian program for the students will continue to provide efficiently the small amount that these 200,000 students benefit from each year.

I will now give a few statistics to my hon. colleague. This program guarantees financial institutions that the loans they grant to post-secondary students will be repaid to them, and I add this which is not in my notes but which comes from the heart: the banks do not have to make any effort since the government guarantees those loans.

In 1990–91 no less than $632 million were granted in loans to Canadian students. In concrete terms, the guarantee means that the government must pay back the loan if the student does not do so. In fact the banks do not make any efforts to go after the students, because the loans are guaranteed by someone else. That also means that the recovery expenses are charged to the government.

Our government must deal with the fact that the costs related to the guarantee given on those loans and to interests, payments have increased by $435 million. To this more than substantial increase you have to add the $879 million represented by all the loans receivable by the government.

I believe that everyone will agree that the government cannot indefinitely face these constant increases without increasing its own revenue. Therefore, the 3 per cent is aimed at making up for a part of the program cost increase and perhaps at ensuring the continuation of the program.

The Acting Speaker (Mr. DeBlois): The motion that the House do now adjourn is deemed to have been adopted. Therefore, the House stands adjourned until tomorrow at 10 a.m, pursuant to Standing Order 24(1).

The House adjourned at 6.31 p.m.

HOUSE OF COMMONS

Tuesday, December 3, 1991

The House met at 10 a.m.

Prayers

[*English*]

POINT OF ORDER

STATEMENT PURSUANT TO S. O. 31

Mr. Nelson A. Riis (Kamloops): I rise on a short point of order, Mr. Speaker. Basically I want to seek some direction. In this House I think we all appreciate that certain immunities exist regarding the interventions made by members of Parliament in order to ensure that freedom of speech is a reality in this Chamber.

This is the first chance I have had to raise this. I do want to refer once again to something that happened on Thursday of last week regarding some of the comments made by my friend from Portage—Interlake regarding the president of the Public Service Alliance of Canada when he called on two occasions, first suggesting that the president was participating in a despicable act of cowardice and went on to say that he as an individual would rather drown or hang people and so on.

I guess what I am saying is that I really need some ruling or some direction from the Chair. I noticed in reading *Hansard* of yesterday—unfortunately I was travelling—that an intervention was made by the Chair during Question Period when it was felt that an hon. member from the Liberal Party referred to the comments of a minister as baloney. You felt it was appropriate to intervene at that point and ask the member to retract that statement. He did this. Mr. Speaker, I support this initiative from the Chair.

I saw that one day and on another day a member called someone who is not in this House a coward, despicable and someone who encourages people to drown others and so on. Consequently the person does not have an opportunity to respond to these accusations. It seems to me that we just cannot let this go on and not have some response by yourself, Mr. Speaker.

When the intervention was first made I asked the member to withdraw the remarks. But in a sense if you looked at his comments he seemed to just add to them. Mr. Speaker, you said that you would review the situation and make the appropriate comment. I appreciate that. Perhaps, Mr. Speaker, since I was travelling yesterday and not in the House you were intending to do just that. But I wanted to encourage you particularly in light of the intervention you made yesterday which I thought was appropriate. You said that at the earliest convenience you would give some direction as to how we can maintain the appropriate measure of comment.

We have privileges that encourage free speech. Our comments are not actionable which means we cannot launch a libel suit or defamation suit as a result of comments made here. It is up to us as members of Parliament and particularly, Mr. Speaker, through you to set some sort of measurement of appropriateness. We ask you as the Chair to enforce those measures.

I raise this matter in that most positive way seeking direction from yourself.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I would like to make two quick comments on this intervention. The first one is that in principle I very much support what the hon. member is suggesting.

I think the House leader of the New Democratic Party has raised an issue that has been of growing concern to this House. We need to be very careful in our assertions about the reputations of people who are not in this institution and cannot defend themselves. I thought I would want to signal to the Chair my complete support for the Chair being very firm and aggressive when that sort of action takes place. I think we need to do that. I think the Canadian public want us to do that and I am very supportive of the hon. member's assertion on that point.

Point of Order

However, Mr. Speaker, I want to deal for a moment with the specific case he raises. I believe this is the statement made by the hon. member for Portage—Interlake at pages 5498 and 5499 of *Hansard*. I want to read just one paragraph into the record. It is what I think the hon. member is referring to. It says:

> Advocating violence against women is unbecoming of all Canadians. It is a shameful and a despicable act of cowardice. Intimidation of this nature belongs in the gutter with the filth and the mire.

My point, Mr. Speaker, is that is an assertion which deals with an advocation of violence against women. I do not think it is an assertion that is aimed at the president of the PSAC although there is the connection made in the statement where the hon. member for Portage—Interlake very much objects to the letter that was sent out by the president of the PSAC. But he does not call the head of the PSAC a coward and he does not accuse him of being despicable. What he says is that if what Mr. Bean has done is advocate violence against women then it is the advocation of violence against women that is shameful and despicable and demonstrates cowardice.

So, Mr. Speaker, I do not think it is a statement directed personally so much at Mr. Bean as it is at the whole issue of violence against women.

Mr. Speaker: I thank the hon. parliamentary secretary. The hon. member for Cape Breton—East Richmond.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I think my colleague and friend the House leader of the New Democratic Party has raised a very substantive issue concerning the standards that are to be adhered to on the floor of the House of Commons and thereafter the implementation of that particular standard as it applies to the opposition parties and that of the government.

I am happy to hear that the parliamentary secretary to the government House leader subscribes to the principle that my friend and colleague has enunciated here this morning. Yesterday I spoke to you in private about my colleague and where he has used the word "baloney". Then in the midst of Question Period you took it upon yourself to intervene. That ate up some of our time for Question Period by not doing it at the usual time. I would have thought the right time for drawing the attention of the House to the comments that you believed to be somewhat offensive would have been three o'clock. But at the same time, Mr. Speaker, I seek guidance of the Chair. One has to raise the question how during statements under Standing Order 31 and indeed in other interventions how government members will be policed on the floor of the House of Commons.

We understand, Mr. Speaker, that we are in an opposition party. We understand that certain rules and Standing Orders do indeed apply to us. But we would hope that in the future they would apply to all members of the House. I seek the guidance of the Chair as to how it intends to police some of these aspects. On first appearances, Mr. Speaker, some members have contemplated out loud that maybe the standard that we are all hopefully trying to live by is not in some circumstances being implemented fairly or accordingly to all members of Parliament.

The parliamentary secretary is shaking his head. If he wishes to participate in debate then he should participate in the debate. He should not use body language to try to intimidate those of us who are trying to seek guidance from the Chair on a very important matter. If the parliamentary secretary does not believe that what we are raising is sufficiently important enough let him say so. We seek the guidance of the Chair concerning the standards that the Chair is trying to utilize on the floor of the House of Commons for all members, not just opposition members.

• (1020)

Mr. Cooper: Mr. Speaker, I rise on the same point of order. My concern is that I think the House leader of the Liberal Party is very close to an assertion against the Chair. I am sure he did not intend it.

I think it is very clear that all members of the House would support the Chair in coming down on members for inappropriate behaviour no matter which side of the aisle they sit on.

I want to say very clearly, Mr. Speaker, that I am sure that is not what the hon. member intended in his remarks. I am sure what he said is that he wanted to see it applied fairly. All of us would certainly support that.

Mr. Riis: Mr. Speaker, I want to make a very short comment and refer to the fact that the points raised by my hon. friend are technically correct.

I think being fair is something that we would like to always work toward as an appropriate goal. If people had read carefully what the president of PSAC was doing we would know full well that he was not personally advocating violence against women.

I do not know who determines the government's speaking list but I notice that this issue was raised three times on that day. There were two statements during Question Period where they incorrectly referred to Mr. Bean as being vice-president of the New Democratic Party. Of course he is not.

To take a letter and probably unconsciously and certainly inadvertently distort its intent is incorrect. It is not that this never happens but when we raise issues about one of us in this House it is done knowing full well that that individual will have an opportunity to stand up and defend himself or herself.

I think it is an unfortunate initiative to attack someone in such a vicious way who is outside this House. This is with the knowledge that as long as those comments are made here they are not actionable and if they were made outside the door you would probably end up in a court of law.

I suspect we all share this. I appreciate the comments made by my colleague the parliamentary secretary to the government House leader who says that he even now supports the general thrust of the argument.

It is for that reason that I think we would like to call on you to give us some guidance as to the appropriate way to proceed in the future.

Mr. Speaker: I appreciate very much the tone of the intervention of the hon. member for Kamloops. I appreciate the other interventions that have been made today.

This matter arose several days ago. To be very frank with the House I am still looking at it.

There is an issue here which is not quite as easy to resolve as might at first seem. First, a particular incident took place outside the Chamber. The Chair is not in any particular position to know what exactly took place outside the Chamber except what I may have heard.

Second, moving away completely from the incident to which we have been referring, we have matters that get into the public domain outside the Chamber. It is sometimes difficult to find the line between what is inappropriate to mention or comment with respect to them and what is appropriate.

I think that the point that was made in general terms that we ought to constrain ourselves considerably in making comments about someone outside this Chamber which would in fact be defamatory under the laws of our country if made outside the Chamber is something which we should consider.

I will try to find a way of expressing this which will give us some guidance. I have been concerned that the use of highly suggestive language or innuendo sometimes on both sides of the House with respect to people or their associations with people can be very demeaning indeed.

This certainly moves the House to a response of irritation or anger which of course leads us to disorder.

I accept the interventions of hon. members that this is a matter which does require some careful thought. I will try to respond in a way that is helpful.

I hope that yesterday's incident is not taken as any indication that there is one standard for one side of the House and another standard for the other, or even one standard for those members who are close enough to the Chair that I can hear when they say something that is not appropriate, as opposed to those members at the very far end of the Chamber. Quite frankly, I cannot hear these comments most of the time.

I think the hon. member who was corrected by me and withdrew and apologized, was hurling words directly at a minister while the minister was responding. I felt that under the circumstances it was appropriate to stop it.

I just want to make it very clear that if I hear comments thrown by government members at hon. members opposite who are putting questions in the same manner, as long as I can hear them, I will certainly rule them out as far as being proper. I want to assure you the Chair is trying to make sure the law falls equally on both sides of the Chamber.

I am frankly heartened by members' comments this morning on this matter, and I think that it indicates a general sense in the Chamber that we do have to make an extra effort to make sure that the decorum of this

place is acceptable, not just to each other, but also to the public.

In this regard I want to make it very clear that one can either extol or deplore television, but it is here. One thing it has done is give a lot of Canadians a chance to see what we do in the Chamber. While this may have helped some of them see what we are doing in terms of policy and substance, it has also given a lot of people a chance to see things that we do that they do not appreciate. I think that we are bound to take that into account. Certainly this morning's discussion is helpful to me and I hope that I will be able to respond in a way that is helpful to the Chamber.

* * *

PRIVILEGE

MEMBER FOR TIMISKAMING

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, last Thursday I gave notice in regard to what I believe is a point of privilege.

It is probably the most important statement that I have made in my nine years as a parliamentary member for the riding of Timiskaming. I refer to *Hansard*, page 5508, of November 28 and the comments made by the member from Sudbury.

The question is in regard to my honesty and integrity. I want to stand before the House today as someone who has represented a riding and has been here for three elections.

The allegations have caused damage to myself, my family and the riding of Timiskaming which I have represented for nine years.

I would like to take a moment to review and set the record straight. I believe that when accusations and allegations are made in this House and transmitted back to your ridings, it is very difficult to be able to stand up and defend them, putting matters straight once and for all.

A year ago, tenders were called for a building in Kirkland Lake. The first round of tenders were all too high. The second round of tenders, numbered project 2000 were disqualified. The second tender was from a company named Cohole construction of Kirkland Lake.

I just want to read a couple of paragraphs in a letter that was sent to Mr. Young Hong, President of Cohole Development Corporation on November 27, 1991.

> I wish to re-confirm the advice given you by my staff October 16, 1991 and reiterated in my November 15, 1991 letter to you that Public Works Canada has terminated its contract with Cohole Development Corporation to provide the necessary space. It should be clearly understood that our decision to terminate the contract is based on two factors.

• (1030)

First, as a result of a loss of financing for this project by Cohole Development, your contractor stopped work in September, 1991 thereby placing the project at serious risk. You were unable to secure alternative financing, even after several extensions granted by us to October 16, 1991 and therefore we terminated the contract as we had no guarantee that Cohole Development would be able to complete the project.

You may also recall that at a meeting in your office February 21, 1991, officers of this department and a DVA official discussed the requirements of the project with you and you were advised at that time that a $2 million bond would be required as part of the contract.

The purpose of the bond is to protect the Crown in the event you were unable to complete the project, thereby minimizing our risk by providing funds to offset the costs of leasing interim space.

You may also recall that officials on my staff advised you again on June 21, 1991, at the time the contract was awarded to you, of the requirement for a $2 million bond.

Public Works then went to the third tender, a company called Anthony Kemp Architects Inc. A reference on page 5508 of *Hansard*, states my brother-in-law was called in as being part of the ownership of this.

I place before you today a letter from Anthony Kemp which states that "as a point of information the sole shareholder of 926260 Ontario Limited is Anthony Kemp. Should this company be successful in this endeavour, the ownership of the said company will be widened to include the following individuals: Anthony Kemp, Garry Fairhurst, Warren Beamish, Norman Seymour, Robert Chafee and Peter Balan. Mr. Gary Watkins does not have and will not have any pecuniary or other interests in 926260 Ontario Limited."

I also lay before you the different bids: Project No. 926260 of $9,630,000 and Cohole Construction of $9,570,000.

It was also accused that my brother-in-law is a shareholder in the land. I would like to quote from a letter from chartered accountants, Cook Hawley Marks:

> We have reviewed the shareholder records as presented in the attached chart, and confirm that Mr. Gary Watkins, through 510177 Ontario Limited and the First Watkins Family Trust, have a minority interest of 28.69% in Nelson Bros. Construction Limited.

This is the property I have been accused of having an interest in.

I would like to end by saying that the value of the property in question at DVA bid was $500,000. In addition, we would have paid relocation costs for the Nelson Bros. operation which would be deducted from the $500,000.

In December 1988, long before DVA, we had an appraisal done on the property. It was valued at $558,600. We also have the option on the value of the land at $810,000. On that basis it can be concluded that Gary Watkins is not getting any type of benefit from our involvement in the DVA project.

I feel very sorry for the individuals who were involved with Cohole construction. That development was strictly between Cohole and Public Works. The unfortunate part about it is individuals started to do work believing that Cohole had the financing in place.

If you have been in business for 18 years, you check to see whether your creditors have the funds or not. This was not done. I must say, Mr. Speaker, it has been a very difficult time for me and my family to hear allegations like this made against me, my family and the people that I have represented for nine years.

I ask you, Mr. Speaker, in fairness, allegations have been made in this House, and we should once and for all be able to clear such allegations and not allow them to happen.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, the first thing I want to say is that the hon. member said yesterday, I gather, that I had made allegations with regard to him or his involvement in the termination of the contract for the DVA building in Kirkland Lake.

This inference is totally unwarrant. I asked a question of the Minister of Public Works and I will quote it: "I want to know the real reason behind this nonsense", and it is in *Hansard*, as you saw, "is it because the owner of the second site and the member for Timiskaming just happen to be brothers-in-law?" It is a true statement. The owner of the site being considered is Nelson Brothers Construction. The hon. member for Timiskaming's brother-in-law happens to be a shareholder and the vice-president of that company. I do not for one minute infer any wrongdoings on the part of the hon. member, absolutely none. On the other hand, the brother-in-law is involved. I will tell you that no one believes that one can be responsible or be one's brother-in-law's keeper, especially not me. I have eight brothers-in-law and I will tell you right away that I do not pretend to have any say in what they do with their lives.

The whole question of this contract has very different sides to it. I will tell you the version that I have been told. Yes, there was one tender and it was turned down. I was told that it was turned down because the zoning was not in place when the people put in their bids. There was a second tender and on June 21, Cohole Development received a letter saying: "We have accepted your tender. Please proceed to construct the site."

On July 16 construction began. On July 18 there was a sod-turning ceremony. Let me remind the hon. members that there was no mention and no amount of a callable bond in the contract. The amount was just specified as an amount deemed to be reasonable in some way, shape or form and that is fine. Construction began on July 16 and continued until some time after September 23 at which time Cohole Development received a letter stating that Public Works Canada wanted a $2 million callable bond.

Now if you come from northern Ontario, you know how difficult it is to deal with bankers. I will tell you that yes, Cohole Development had some difficulty in obtaining the $2 million bond. There was no extension granted and no letters sent. There was a meeting held in October in Toronto at which time another alternative was put forward. The gentleman involved waited for an answer from Public Works and received no answer until November 15 when he was advised that the contract was terminated, period.

Since then, Cohole Development has come up with the $2 million bond. I have made repeated attempts to question the Minister of Public Works to make sure that he treated this whole thing as fairly as possible, because

there is a great deal of money invested in that site. A lot of the construction work has been done. There are contractors in all areas of northern municipalities who stand to lose a great deal of money. That is how I became involved in this question, because some of the contractors are in my riding and they contacted me. They said: "What is happening? Why are we being treated this way?"

The government keeps saying that it is going to this new contractor. The tender from the new contractor is no longer active so they have to get new prices from him. The story goes on.

Meanwhile, I am told today that the owner of Cohole Development is delivering a $2 million callable bond to the people in Toronto. I am asking that they continue to look at this matter, to stop the massive losses, not only of those contractors but of the government itself. It has invested many dollars in this project.

When the foundations are in, the site has been cleared, the steel has been done and the architectural work has been done, it is a serious business to suddenly change the site completely. They are going from one end of town to a completely new site owned by Nelson Brothers Construction, there is no doubt in my mind.

I will tell you that I hope the hon. member for Timiskaming will lead the way in making sure that the government treats absolutely everyone as fairly as possible.

Mr. Speaker: I will hear the hon. member for Timiskaming in a moment, but I may be able to assist the House.

I have listened very carefully to both sides because the issue is complicated, but the issue that I have to resolve is simply this: in the way the question was put, is the hon. member for Sudbury out of order or has there been a breach of privilege with respect to the position of the hon. member for Timiskaming.

• (1040)

I remind hon. members who may want to say something about this that this is the quote: "I want to know the real reason behind this nonsense. Is it because the owner of the second sight and the member for Timiskaming just happen to be brothers-in-law?"

That was then denied by the Parliamentary Secretary to the Minister of Public Works. Someone then shouted out: "It sure helped the brother-in-law", and another hon. member said: "all in the family".

I have to take the mood that was created by the question somewhat into account. That is basically where the Speaker has to decide whether those words were appropriate under the circumstances, whether they were something that was a breach of order in the House or whether they go further.

Mr. MacDougall: Mr. Speaker, your words are exactly all that I want to be concerned about.

It is strictly a business agreement between Public Works and the tenderers. My concern is to clear my name and my family name.

Mr. Speaker: I think in keeping with the other matter which we discussed a little earlier this morning, I am going to look at this carefully and consider it.

I do point out that however I decide, I think hon. members can see how when an imputation is made by way of a question or by a response by a minister, it becomes very personal and can be hurtful. There is difficulty that it creates in the Chamber and with each other.

I am going to look at it and see if I can come down with a procedural response which is appropriate. I thank the hon. member for Sudbury. I know she had some difficulty being here yesterday. I received that message very early in the morning and I appreciate the fact. I hope that the hon. member would pass on to her staff our appreciation. That message was brought.

I appreciate the tone set by the hon. member for Timiskaming in bringing what certainly is to him a painful matter to the House.

ROUTINE PROCEEDINGS

[*English*]

ANNUAL REPORT: EMPLOYMENT EQUITY ACT, 1991

TABLING OF REPORT

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr.

Speaker, pursuant to Standing Order 32(2), I have the honour to table in both official languages the report entitled *Annual Report: Employment Equity Act, 1991.*

* * *

PETITIONS

MARKETING BOARDS

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to rise today to present a petition signed by numerous residents of the province of Ontario and various small communities, most of them farming communities.

These petitioners are concerned that the government is about to trade away the opportunity for them to operate marketing boards under the GATT round of negotiations which are currently under way.

The petitioners call upon the government to hold the Canadian system up as an example to all the world, to stiffen its resolve and ensure that article XI and the rights that accrue to Canada thereunder are not traded away by this government which seems bent on such an idea.

JUSTICE

Mr. Bill Kempling (Burlington): Mr. Speaker, I have the honour to present seven petitions, containing approximately 300 signatures.

The citizens are from Burlington, Stoney Creek, Hamilton, Beamsville, Brantford, Ancaster, Kitchener, Grimsby, St. Catharines, Caledonia, Hannon, Dunnville and Binbrook. These citizens are petitioning the Government of Canada in support of the parents of Nina DeVilliers who was murdered on August 9, 1991. The petitioners call upon Parliament to recognize that crimes of violence against persons are serious and abhorrent to society and ask that the Criminal Code of Canada, the Bail Reform Act and the Parole Act be amended accordingly.

UKRAINE

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have the pleasure of presenting three petitions today. The first I would have liked to have been able to present yesterday, but it was not possible to do so. It is in respect of constituents of mine of Ukrainian heritage who have asked the federal government to recognize the independence of Ukraine, subject of course to the referendum indicating that desire for independence.

I rejoice with them as do many, many Canadians throughout the land with respect to the referendum and the recognition that the government has given to Ukraine.

GOODS AND SERVICES TAX

Mr. Ronald J. Duhamel (St. Boniface): The second petition is in respect of the goods and services tax on reading materials; magazines, books and newspapers.

The petitioners point out that there has been no such tax since the beginning of Confederation. They also indicate that it is counterproductive, it goes against the whole notion of a democratic society that is supposed to be well informed and a society, of course, that strives for excellence through education. Of course, these vehicles are important ones to the development of our citizenry.

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): My final petition is in respect of education. It is a criticism of a government that talks about competitiveness, productivity, establishing a learning culture, when it has indeed this year cut a half billion dollars in transfer payments to the provinces, as well as placing a 3 per cent administrative fee on student loans.

The petitioners ask that the government rescind these regressive measures so that we can send our young people to college and university in order that they can find the jobs that will contribute fully to Canada.

100TH ANNIVERSARY OF UKRAINIAN CANADIANS

Mr. Lorne Nystrom (Yorkton—Melville): I rise to present a couple of petitions you would be interested in, Mr. Speaker, being that it is the 100th anniversary of the Ukrainian Canadians coming to our country.

These petitions come from the towns of Canora, Rama and the city of Yorkton. They present a petition that I wanted to table yesterday but it is still just as relevant today.

The undersigned petitioners call upon Parliament to urge the Government of Canada to give genuine support to the people of Ukraine by officially recognizing Ukraine's independence in establishing full diplomatic relations with the people of Ukraine immediately following their referendum, which took place on Tuesday.

As I said, Mr. Speaker, it has been signed by many people, like Metri Dutchak in Canora, and you can go through the list and find people like Olga Rusnak in Yorkton and many, many others who have made a great contribution to this country who were celebrating the referendum results on Sunday along with a lot of others of us.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour for me this morning to present a petition on behalf of a number of citizens from Kamloops, British Columbia, who are concerned about the ability of the RCMP to fulfil its mandate.

In conversations they have commented on the increasing numbers of break and enters, minor petty crimes, and so on, just as a result of what they perceive to be the inability of the RCMP to do its job. They are calling upon the Government of Canada to ensure that proper funding for the RCMP exists to enable it to fulfil its mandate.

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): On another issue, Mr. Speaker, a very important issue, the petitioners are from a variety of communities in British Columbia. They have heard the news that a Vancouver-based firm with contacts in California has announced its intention to proceed with a plan to dam the North Thompson River at Valemount, British Columbia, in an effort to divert water into the San Diego, California area.

Mr. Speaker, you will recall that this is part of the North American Water and Power Alliance Plan to divert Canadian rivers into the United States, either in whole or in part, and they call upon the Government of Canada to announce categorically that Canadian river water is not for sale.

* * *

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, Question No. 161 will be answered today.

[*Text*]

Question No. 161—**Mr. Stupich:**

For the election of November 21, 1988, in the constituency of Nanaimo—Cowichan, (a) how many voters whose names did not appear on the voter list actually voted under the provisions which allow rural voters to be sworn in on election day (b) is this number included in the total number of eligible voters listed in the report of the Chief Electoral Officer?

Right Hon. Charles Joseph Clark (President to the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): (a) The information sought by the first part of this question is within the purview of subsection 196 (1) of the *Canada Elections Act*, which instructs the Chief Electoral Officer to retain election documents for at least one year if an election is not contested. As there was no contestation, the election documents requested were not kept. In consequence, it is not possible to reply accurately to the question.

(b) The report prepared by the Chief Electoral Officer pursuant to section 193 of the act contains the total number of electors and total votes cast. The number of electors who voted by being vouched for is included in the column Total votes but not in the column Electors on the list.

[*English*]

The Acting Speaker (Mr. Paproski): Question No. 161 has been answered.

Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, if Question No. 109 could be made an Order for Return, the return would be tabled immediately.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that Question No. 109 be deemed to have been made an order for return?

Some hon. members: Agreed.

Question No. 109—**Mr. Riis:**

For each fiscal year since 1985, did the government retain the services of private law firms in Kamloops, British Columbia, and, if so, in each case, what was the name of the firm and the amount received?

Return tabled.

Mr. Cooper: Mr. Speaker, I ask that the remaining questions be allowed to stand.

GOVERNMENT ORDERS

• (1050)

[*English*]

BUDGET IMPLEMENTATION ACT, 1991

MEASURE TO ENACT

The House resumed from Monday, December 2, consideration of the motion of Mr. Mazankowski that Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, be read the third time and passed; and on the amendment of Mr. Walker (p. 5662)

The Acting Speaker (Mr. Paproski): When we ended debate, the hon. member for Restigouche—Chaleur had five minutes remaining in his debate, plus 10 minutes questions or comments.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I would like to say from the outset that this is probably my longest speech since I started last evening at about 5.45 and here I am a day later still going. I can assure my constituents that I did not speak throughout the entire night. I am not that long-winded.

I must say, as I mentioned last evening, that this is a very complex and technical bill. I want to continue where I left off when I was speaking last evening about transportation in my riding as it applies to the bill and as it may be affected. I mentioned the Charlo airport in my riding and how important it is to the riding and how we have lost the weather station at that airport, although another weather station was located at another airport. I want to say from the outset that I am not against improvements in other areas, other communities, but I do not believe we should rob Peter to pay Paul. I believe when there is a new item to be taken and new programs coming out, everyone should have an equal opportunity,

but where there are existing facilities in place they should remain and not move at the expense of that community.

I mentioned about the ports of Dalhousie and Belledune and also about our high unemployment, saying that the federal government has not played a major role in the promotion and development of those two ports. It should because they are federal facilities. There is no on-site manager as such at those two facilities and I think that is a necessity if we are going to promote those two ports and develop some type of strategy for them.

I would like to also mention this morning the changes as they may impact on UIC. I want to go back to the 1989 budget in which the then finance minister pledged that, and I quote: "The government will continue to contribute to the financing of the program in difficult economic times when it is inappropriate to raise premiums and prudent to allow deficits to build up in the unemployment insurance account".

I guess no one has to preach it to the world that that is another one of the broken promises of this government. Bill C-21, the budget, everything has indicated to us that there will be increased premiums. As far as I am concerned and my constituents are telling me, especially those who operate small businesses, this is another form of tax, it is an attack on small business and it is an attack on employees because they have to match those increased premiums as well.

Therefore, it is certainly a negative impact on small business in my area and on employees.

[*Translation*]

Bill C-20 is a deliberate attack on Canada's rural population and on Canadians in general. It is certainly not acceptable to the vast majority of Canadians. This legislation will actually force provinces like New Brunswick, my own province, to make some very difficult decisions. The people of New Brunswick realize their government must resort to such decisions because Ottawa is cutting back on its fiscal arrangements program.

At this critical time in Canada's history, the federal government should take steps to promote national unity and reduce regional disparity. However, if the federal government keeps reducing cash payments, it will intensify regional disparity. Residents of the poorer provinces will have to accept a lower standard of health care and

post-secondary education than that enjoyed by Canadians in the richer provinces.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to compliment my colleague from New Brunswick. He has always made the views of his constituents well known in this Chamber. This morning he talked to us about the importance of federal presence in his riding. There are many ridings across Canada right now that count on that federal presence to hold us together. In many regions of the country the federal presence is the glue that holds the community together with the national government.

My question to the member must relate specifically to the economy. He represents a rural riding. I represent an urban, downtown riding. I am hearing day in and day out that we as national members of Parliament do not seem to be spending enough time focusing on the economy of the country. We do not seem to be spending enough time figuring out ways to put people back to work.

Yes, they are very concerned that medicare, the health system of this country, is being tampered with as we see in this bill today. They appreciate the fact that we are addressing that issue. Throughout the day I am constantly going to ask other members their views on the dismantling of our health care system.

Right now I would like to hear from the member to see if the views of his constituents in rural Canada square with the views of urban Canada that we as national members are not spending enough time debating the economy of this country. What are they saying to him as to some of the things we should be doing?

Mr. Arseneault: Mr. Speaker, I would like to thank the hon. member for Broadview—Greenwood, my colleague and my friend, for the question and his interest. I would like to say from the outset that the hon. member has followed this debate from the beginning and has made many interventions. Basically he has the best interest of the medicare system at heart and is out to protect it.

In regard to the economy, if I can go back a little and quote the right hon. Prime Minister, he promised Canadians that he would give them jobs, jobs and jobs. I guess that is going to be a major quote for historians.

What we have is unemployment. We have unemployment and we have more unemployment. The unemployment rate in my riding is 18.5 per cent. My constituents are telling me that we have to get moving on the economy. We have to put our people back to work. We have to.

I just attended a conference on the weekend. I must congratulate the people from my riding on their initiative. There are two groups working because we have two distinct areas in my riding. They have just put together an economic conference. They are developing a strategy, an economic strategy for their region. In the other region in my riding we are having a meeting this Saturday to implement or set up the committee that is going to implement an economic conference for that part of the riding. As such they are going to identify sectoral areas where they will put forth priorities. Then they are going to develop strategies and approach governments for that.

To get back to the federal presence, I still feel that is the key. If the federal government does not show confidence in an area, why should the entrepreneur? For instance, in my area we were a major centre for CN over the years. We had roughly 1,500 jobs with CN going back 10 or 15 years. Now we have fewer than 200. What does that tell the entrepreneur if the federal government is removing jobs from that area? What type of confidence does it give?

• (1100)

It was the same thing with VIA Rail. The forestry industry is in a complete disarray. We have layoffs. We have down time in many of our mills. We even had a mill, a major employer of the region, Atholville Pulp Inc., close permanently, supposedly. We are trying to get it reopened. We are looking for a buyer. We are looking to diversify. We are working on that aspect. If we look at the Dalhousie Mill, not 10 or 15 years ago it had somewhere around 1,500 employees in it woodlands operation and mill operations. There are fewer than 1,000 now and going lower.

Obviously there is a problem with the economy. We need help. It is up to the federal government to help. I am not asking for hand-outs. I am not asking to take the wallet out and start giving out money here and there. People want to work. They want their pride and their dignity.

What I am asking is: Why not? When it comes time to look at new centres where there could be employment opportunities, why not put them in a little area like Restigouche–Chaleur, especially in this day and age with the type of telecommunications that we have? We a are forestry based area. Why not have a forestry centre down there that employs 50 people with good paying jobs. That sends a message out there. It sends a message that the government is confident that this area is going to survive.

Turning to the port of Belledune in Dalhousie, what is wrong with having an on-site manager or a strategy developed? I guess when we talk about industrial strategy, we do not have one in Canada let alone for each of the provinces, although I should use this opportunity to congratulate the province of Quebec for releasing the first industrial strategy of any province yesterday. Let us hope it works. That is a model for us and maybe we should be using it more.

The federal government seems intent on cutting and cutting and cutting during hard times. That is when it should be doing the opposite: stimulating and stimulating. It should be investing.

I give another example of the poor village of Dorchester that has a reputation and background for serving the justice system. When new facilities came online for a women's detention centre that should have been the number one spot. Where did it go in Atlantic Canada? I sort of wonder why those decisions are made.

The Acting Speaker (Mr. Paproski): The hon. member has two and a half minutes for a question or a comment. If he expects an answer, I expect him to give the hon. member a little time.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I would also like to compliment my colleague for his remarks on this piece of legislation. Near the end of his remarks he spoke about the increase in the unemployment insurance premiums and the fact that they have been further increased by this government right in the middle of one of the most serious recessions we have had in Canada.

I want to ask a question of my colleague who comes from a riding in which the forestry sector is a very important part of his local economy. As he knows, the forestry sector is going through a very rough time in Canada at the moment. Some say it is the worst time it has experienced since or even more serious than the Depression.

I have a company in my constituency, Stora Forest Industries. It is a very good company. It has been a very loyal employer and is the economic heart of Cape Breton Highlands—Canso. It has been experiencing the same downturn that other forestry companies have been experiencing across Canada. One of the last blows it has received has been these increases in unemployment insurance premiums, on top of the increases which are scheduled for this bill. These increases are very inappropriate, particularly because they come at a time when the government should be using the unemployment insurance program to stimulate the economy, not to dampen the economy.

I want to ask my colleague if he has had the same experience in his riding, with the forestry sector that he knows so well, in northern New Brunswick.

Mr. Arseneault: Mr. Speaker, I would like to thank my colleague for the question. I can assure him that I have met with the stakeholders in the forestry industry in my riding. Again, they assure me that there are tough times out there. In fact they are comparing the times to the great depression years.

Some of those factors we talk about maybe are the industry's own doing, but there are others they have no control over which we do have control over and the government has control over: for instance, fiscal policy, UIC premiums and tax designs, no doubt.

What the hon. member has asked me is exactly what the problem is. The government is not stimulating during hard times. When hard times are out there in the economy, rather than trying to help out the government is as bad as the next person. It cuts, cuts, cuts.

Where is the end of it? Stop cutting and start stimulating the economy. Why increase UI premiums? It is another form of tax. Small business cannot handle it. Big business cannot handle it. Not only that, the employees have to pay their share as well. They have not kept up with the pace of inflation over the years. They have less money in their pockets when they get home. As such, it is a vicious circle and the government has not broken that vicious circle. It has never even tried to break that vicious circle. It has continued to add to the problem.

[*Translation*]

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, the purpose of this bill is to adopt certain measures to implement the budget tabled on February 26 this year, measures that clearly reflect part of the government's strategy for reducing the deficit. However, if we are to understand the strategy as a whole, we should also consider the approaches to controlling inflation that were agreed on with the Governor of the Bank of Canada. Briefly, the measures contained in this bill are being taken at a time when we are experiencing the first made-in-Canada recession, a recession deliberately brought about to control inflation.

During the pre-recession period, we had very high interest rates which had a very negative impact on the federal government's deficit. The cost of servicing the debt, already very high, increased by 28 per cent over two years, before the present budget.

But consider what happens during the recession. During the recession, unemployment and unemployment insurance payments go up. There is also an increase in welfare payments, which during the last recession in 1981-82 went up by 32 per cent. We all know that health care costs, which normally increase by 2 or 3 per cent plus inflation, because of our aging population increase even faster during a recession. And we know that post-secondary education costs also increase faster during a recession, because students tend to stay in college and university.

During the recession, we also see a drop in inflation and interest rates. So what is the impact of all these measures on budgets? Apparently, the federal government is transferring all the costs of the recession to employees and employers by incredibly increasing unemployment insurance contributions by 24.5 per cent in the last budget and another 7 per cent not long ago. The remaining costs of the recession are being transferred to the provinces.

• (1110)

The measures before the House today contain all the tools the federal government needs to avoid recession-induced costs in the areas of health care, social assistance and post-secondary education. The provinces will have to shoulder all these costs, which are, and will be, very substantial.

At the same time, interest rates are going down—for instance, the government predicted that interest rates would be around 9 per cent, while they are now down to 7 per cent—and as a result, the federal deficit will become more manageable. Of course, the government kept the benefits of declining rates and transferred to businesses, individuals and the provinces the costs of rising rates in a recession.

If that keeps up, in a few more weeks, the federal government will brag that it can control its deficit, when in fact it passed it on to the provinces and businesses.

Yesterday I heard the Prime Minister say that he was reluctant to call an economic conference, as requested by the provinces, and I understand that very well. He even dared to say that would force the provinces to control their budgets. What will the provinces do to control their budgets? They will raise taxes or do what Quebec did: pass the costs on to the municipalities. Transferring costs to the municipalities will also result in tax increases. Higher university tuition fees have become the main cause of inflation.

We are at a point where we are in danger of not reaching our inflation objectives, precisely because the federal government is passing costs on to the provinces, municipalities and universities.

For the first time, in this morning's *Globe & Mail*, a group of 17 economists consulted in forecasting institutions told us that Canada's economic growth is likely to be less than predicted, that Canada's current account deficit will increase considerably and that inflation will be higher.

I thought that was impossible after such drastic measures had been taken. Inflation is likely to be higher because the only way that local and provincial governments can get out of the situation in which the federal government has put them is to raise taxes considerably and thus add to inflation.

Therefore, I think that some balance must quickly be restored. You know that in the 1980s, the federal government spent like mad and ran up huge deficits. For a while, I think we were right to believe that the deficit had gone out of control. Of course, our debt is unacceptably high. We must reduce the deficit; we must also try to keep lower inflation rates. But with such drastic measures as we have taken, we risk not only keeping the economy in a deep recession but also fuelling inflation.

A change of course is in order. For an example of the federal government's past spending habits, refer to the latest report of the Economic Council of Canada. Of course, the federal government's fiscal capacity is mortgaged for several more years, until 1994–95, but we are told that after 1995–96, there may be some room to manoeuvre. Room to do what? It is purely theoretical, because the expenses that are harder to control have been transferred to the provinces and we realize increasingly that they will be unable to assume them fully.

For the first time Ontario's deficit will reach $10 billion. The Minister of Finance of course was prompt to blame the Ontario governement for everything. It is a fact that it did increase its spending by $800 million, but had they not injected these new funds in an effort to boost the economy, Ontario's deficit would still have been close to $9 billion and would have gone on forever.

With the new distribution put in place as a result of Bill C–20, we can be sure that the provinces, all of them, will have increasing deficits and I would not be surprised that, within a few months, they saw their credit rating drop drastically in terms of their borrowing capacity.

As we know, in general the cost of borrowing is higher for the provinces than for the federal government. Analysts in growing numbers anticipate that the gap will widen even further. So, by transferring its deficit over to the provinces, of course the federal government pressures provinces and municipalities to cut their spending. By so doing, it is also creating inflation and as a result the cost of financing such deficits will skyrocket. The rate of borrowing for provinces and municipalities is always at least 75 percentage points higher than for the federal government and is likely to go up another full point or even to 1.25 points in the next few months, which means additional costs for no reason.

And that is not all. Let us keep in mind that, even if we could find a way out of this one and if somehow the federal government still had room to manoeuvre, there is no guarantee that these spending choices would suit the Canadian people. Let me give you some figures. We are told that provinces are still receiving payments and that is true, to a point, but the amounts are cut drastically and much more so than federal spending is curtailed.

Provincial transfers amount to 22 percent of the federal budget. Yet, they account for 34 percent of the cuts operated by the federal government. Obviously, we are cutting much more in areas considered essential by the Canadian people—health, post-secondary education—than in the defence budget, the financing of a variety of constitutional initiatives by the federal government, etc.

I think there is cause for alarm, because a system in which the federal government has the power to spend and then to unilaterally decide to transfer its debts to the provinces leaves us with basically no way out. Not only provincial governments, which control their expenditures fairly well, cannot be sure of their budgets because federal transfers are constantly being reduced, but they also know full well— Remember what happened in the 1988 election. This government, which must have been aware of its financial situation, promised $2.5 billion for child care. Well, Mr. Speaker, the day after the election, we had to forget about that promise because the Minister of Finance suddenly discovered that the government was faced with a huge deficit and had to cut everywhere.

Will the 1993 election bring us the same kind of promises? Of course, Mr. Speaker. It would be even worse if those promises were kept, because we would likely see further cuts in transfer payments to provinces. It is absolutely unbearable. In Quebec, though, the situation leads us to believe that we may be able to solve our problem sooner. But in a Canadian perspective, it is imperative that provinces have some control over federal spending. The present situation does not make any sense.

Any initiative taken by a federal government with the slightest amount of leeway could make the situation a lot worse.

• (1120)

The traditional role of the federal government in the economic recovery, is presently limited to issuing, with a lot of publicity, documents as meaningless as the one on Canada's prosperity. No solution is proposed. Citizens are asked to call in and give their opinions, to offer solutions to the government. It is incredible. Of course, nobody talks about it any more; we do not know if many people called in. There must have been just a few since no new solution has been announced. More and more, we feel that action is being taken on a local level and that

this government is unable to obtain the consensus that would be necessary to ensure long-term growth.

Even though we agree that the deficit needs to be controlled, even though we agree that certain measures need to be taken, some elements are acceptable. I am referring particularly to the limited growth of expenditures for richer provinces. Those elements are acceptable, but they are put in a context that makes them virtually impossible to manage, because not only are provinces limited in their spending, but the whole cost of the recession is passed on to them. Therefore, Mr. Speaker, we have to oppose most of the elements contained in this bill.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I have a question for the hon. member for Rosemont. He gave a very accurate picture of the present economic situation. However, I have a problem with his speech. I think that the confidence of investors in the Canadian economy is very shaky right now. There are many reasons for that of course, but I think that the problems we are having in the constitutional debate is one of them. I think that the things the separatists have said are not helping the economy at this time. Does the hon. member believe that what they said is good for the Canadian economy?

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, I want to say that the growth of business investments in Canada was excellent during the 80s, perhaps too optimistic, because the same people have decided to stir up the Constitution crisis. And now we are scowled at as if we were responsible for the crisis. We are not, Mr. Speaker. A process was in place, which was challenged perhaps by short-sighted people. That being said, there is no doubt that the present situation regarding investments has much more to do with uncertainty about the possibility of restoring confidence among heavily indebted consumers and transferring to the provinces a very heavy tax burden. We know that they have very little room to boost the economy and that consumers' borrowing capacity is limited. As for the American economic recovery, we must realize that, for the first time, we have created a recession made in Canada before the U.S. got into a recession. Historically, Canada had always followed in the footsteps of the U.S. But this time, in order to fight inflation, we have brought about a made-in-Canada recession before the American recession, with the hope perhaps of getting out of it first. That was not allowing for the fact that the American economic recovery is— That showed a total disregard for the fact that the American economic recovery is essential to our own recovery, given the levels of our exports.

Because the American growth is slow, our exports are growing slowly and Canada has had a trade deficit for the first time in 15 years. I think that we are paying for the lack of responsibility displayed by the federal government since the early 80s. Mind you, I am quite happy with the efforts that were made to control the deficit. The problem is though, basically, not so much the necessity for controlling the deficit as the way it is controlled. Transferring the deficit to the provinces and municipalities leads to much higher taxes. For example, in Quebec, inflation due to the private sector is nearly zero, but the total inflation figure is 7 per cent. Why? Because the Quebec government decided to limit its deficit, to raise taxes considerably, to pass the costs on to municipalities, which in turn increase their taxes, and to double tuition fees.

So in the end, the federal government creates inflation by transferring its responsibilities to the provinces. As for medium-term investment in Quebec, I would tell you that we are very optimistic, especially if Quebec attains sovereignty.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, the hon. member told us that if this bill passes, Quebec would no longer receive money for health and education, for established programs. He also said that he does not agree with the way the government is fighting the deficit, and we agree with him on that. We in the Liberal Party have said many times in the House that we did not agree with the government's strategy of passing its deficit on to the provinces and municipalities. We agree on that point, but he wants to make Quebec a sovereign state, so it would no longer receive federal transfers. Taxes in Quebec are already among the highest in Canada. Does he think that in a competitive economic situation, Quebec, which already has trouble accepting the reduced transfers that will result from this bill, will not be further disadvantaged if it accepts no more transfers, in addition to having to make up for much of its accumulated share of the federal deficit should it become independent?

I ask the hon. member how he can reconcile his comments of today with a sovereign Quebec which would have even higher taxes than now and would get even less support from other parts of Canada.

Mr. Tremblay (Rosemont): Mr. Speaker, my dear colleague forgets one thing, namely the taxes collected by the federal government in Quebec. I would have no objection to the transfers provided for in Bill C–20 if at the same time the government transferred the appropriate taxing authority to the provinces. I can see that my colleague has a different point of view, since he comes from the Maritimes, which depend on federal transfers for up to 40 or 50 per cent or their provincial budgets. That is not at all the case in Quebec.

• (1130)

If the government wants to transfer funds, if it wants to transfer the costs of health care, transfer the authority to raise taxes for it. The present government is transferring the accounts payable but keeping the revenue. Of course, federalism is less and less profitable for Quebec under these conditions. We understand the objective of reducing the federal deficit and I repeat that I have no objection to that, but keep things in proportion. The transfers of costs are now such that they may well be counterproductive.

I think of my colleague who is worried about the investment climate. I would advise him and his party, as well as the Prime Minister and others, to read again report by the Economic Council of Canada, which say that if Quebec becomes sovereign, all parties should talk about maintaining the economic union. Of course, speeches such as the one made by the Prime Minister last Sunday are likely to scare a few people, but not serious investors.

[*English*]

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I rise to speak on Bill C–20 which I think is a significant piece of legislation not only in terms of fiscal management but in terms of social policy in Canada.

I had an interesting experience in the last couple of weeks, talking with a number of young people in my riding, people who are the same age as my son and daughter, in their mid–twenties. We got to talking about the present threat to our national health care program. Much to my surprise I found out that people in that age group simply took our national health care system for granted.

They assumed that when you went to the hospital you would not have to pay, that you would receive a high level of care and that you would not be required on admittance to prove that you were financially able to afford the care. They took for granted that if you needed to go to a doctor you simply went to a doctor, you did not first of all consider your financial position and determine whether you were financially able to go to seek medical care.

I think it is important when we start talking about this bill that we remember very clearly that that has not always been the case in Canada.

I remember very clearly while growing up that I had an older brother who developed a major illness. At that time we were living in a small prairie town in southern Alberta very near the American border. He spent periods of time in hospital in Lethbridge.

The financial resources of my family were strained to the point that they could no longer afford to provide him with the necessary medical care. It was finally arranged that this youngster who was then in his early teens would have to go to seek medical care at a mission hospital north of Edmonton, hundreds of miles away from his home and his family, simply because the mission hospital was funded by the United Church and was prepared to give the necessary medical treatment without immediate payment by my parents. Canadians of my children's age simply do not believe that. They find it totally incomprehensible that that kind of thing could have taken place in Canada.

I had another experience just before I was elected to this House when I was travelling in New Zealand. My mother who is getting on in years joined us for a period of time. She fell and broke her ankle. We thought nothing of immediately seeking out the best medical care available. Much to our surprise we found out that in New Zealand through an accident insurance scheme much like our Workers' Compensation Board the medical expenses of all accident victims were paid for. This includes even foreign residents.

We got to know a number of other people in the hospital. One of them was a woman from the United States who also had the misfortune of falling and breaking her leg which was compounded in a number of places and had difficult breaks. It resulted in her being in

hospital in New Zealand for a number of months before she could be transported back to the United States.

I ended up driving her back to the airport and she told me that she and her husband had just retired. He had to go back to the United States because he could not stay in New Zealand. They were not wealthy but they were comfortable and had been planning an active life in retirement. She said that if she had fallen in the United States they would have been financially ruined even with the fact that they had some medical coverage. They would have been absolutely financially decimated to the point that they probably would have had to file for bankruptcy. Certainly they would not have been looking forward to their retirement years with any assets or comforts.

I think Canadians should start remembering that by taking our health care system for granted we are in danger of losing it. This legislation is part of a consistent process of erosion of our national health care system.

Our health care system did not come about easily in this country. It was gained through foresight and struggle after having been introduced by Tommy Douglas in Saskatchewan. It is important to remember that is where the initial and decisive fight for the establishment of medicare took place. The people who were opposed to it were very powerful people. They were the Liberal opposition and doctors. Other special interest groups staged a strike and fought desperately to try to preserve their rights and their privileges and prevent a universal health insurance system.

That battle was won and finally the federal government was forced into bringing in national medicare on a federal level.

• (1140)

This program has been successful in ensuring that all Canadians have access to a high standard of health care.

We have now had a series of attacks on this by the present Tory government. I will not go into the history of the initial 50:50 program and how that program was eroded when the block funding came in. It is important for this House and the Canadian public to understand that the present Established Programs Financing which was put in place in the late 1970s was based on the federal government transferring to the provinces money for post-secondary education and health care. It was not based on the amount of money spent by the provinces but on the growth in population and the growth in GNP.

The federal government tried to make much of the fact that the health care costs of the provinces have gone up dramatically and they have. The federal government has tried to make much of the fact that the provinces have to contain the cost of health care and they do. The formula that has existed for transferring of moneys had nothing to do with those things. It had only to do with the increase in the GNP. If there was no increase in the GNP the federal government did not increase its contribution to the provinces other than for the increase in the population.

This government has decided to unilaterally change that formula. Being from British Columbia I figure that the government must have somehow taken lessons from the previous Socred administration in that province. Maybe it was when the hon. Minister of Justice switched from being a Socred provincially and became a Tory federally. She came down from British Columbia to Ottawa and brought the Socred way of handling their fiscal incompetence. Now it is called offloading.

The government does not bother to control its own expenditures on advertising. It does not even bother to try to control its own expenditures on the growth of government or in areas where it has direct responsibility. It simply offloaded the problems on to municipalities, school boards and hospitals by cutting their funding.

It simply said: "We know we cannot fiscally control our expenditures but what we can do is simply freeze the moneys we will transfer to other levels".

This is what the government has now adopted. The Socred approach to fiscal management is simply: "Let us offload our deficit and debt on somebody else. Let us offload on the provinces. We will simply decide that we are not going to continue with the formula for transferring of payments. We will cut back". When it got away with cutting back to 2 per cent or 3 per cent less GNP it decided to zero it. This bill now extends that zeroing for five years. It simply says: "Let us wash our hands of any

responsibility and offload all of those problems on to the provinces".

What does that mean in terms of our national health care? It means a number of things. First and foremost it means that the provincial governments have dramatically less money to spend on national health care. The cumulative effect of these cuts on health care have been estimated as being $62.4 billion. I am not talking about post-secondary education. In the final years it will amount to around $10 billion a year in lost revenue. I make it clear again that this is lost revenue based on the increase in GNP. It is not based on costs or anything else. This is money that the provincial governments had anticipated. They thought they were in a fiscal arrangement they could count on to build their health care systems around.

It has been devastating already. Some of the weaker provinces, particularly the Atlantic provinces, have had to make dramatic cutbacks to their health care system. Newfoundland in one fell swoop had to lay off 10 per cent of its nursing staff. That is just year one. Wait till the cumulative effects of year three, four and five take place. Even wealthy provinces are feeling the economic pinch. British Columbia will have lost over $5 billion by the year 2000. This year alone it is losing about $500 million.

This has tremendous impact on local communities' ability to deliver health care. What happens is the province is then forced to offload their loss of revenue on to local communities and local hospitals.

My community of Surrey North is one of the fastest growing communities in Canada. We simply have been unable to get the funds to keep up with the necessary health care services that are needed. We only have 1.1 acute hospital beds per 1,000 population. The provincial average is 3.3. In Surrey 40 per cent of the people have to leave to get basic health care. We are 34 public health nurses short. We are 27 health inspectors short of meeting the needs of that community. I think it is important to note that those last two figures are probably more critical than the loss of acute care beds. We all know that one of the things we have to do is change our health care system from a treatment of chronic or acute illness to a health prevention system. But it is often those soft health prevention programs that suffer when there are arbitrary and unnecessary cuts in payments.

There is another thing that is happening concerning the loss of transfer payments and that is the federal government's ability to maintain a national health care system with national standards. The federal government will no longer be transferring cash to Ontario and Quebec by 1995, 1996 and 1997 because of the cutbacks under this bill. That means it will have no ability to enforce national standards. It will be transferring no cash to any of the provinces by the year 2004. This means that of course the ability to enforce national standards under the Canada Health Act will be non-existent.

Mr. Speaker, you are signalling that I have one minute. I do not believe—

The Acting Speaker (Mr. Paproski): The hon. member started at 11.28 a.m. and he finished at 11.48 a.m.

Mr. Karpoff: Thank you very much.

• (1150)

I acknowledge that the Speaker is right. I am just surprised that my time has gone so quickly. I want to make just one or two points then, very quickly.

The federal government thought that it could bring in a new section under Bill C-20 that says that once it is transferring no cash payments under block funding to the provinces, it can then attach other moneys to enforce the Canada Health Act.

That is spurious. It is unworkable, and it is not going to take place. There have already been a number of legal opinions that simply say that it is unconstitutional, that there is no way under the federal spending powers and division of powers between the provinces, if the federal government is not putting money into health care, it can then withhold other moneys in order to enforce its national standards in health care.

Second, what moneys is it going to attach? Is it going to attach moneys from the Canada Assistance Plan? Does this government really think that it is going to take moneys from hungry children in order to insist that the province meet its standards on a national health care program? Is it going to take money from child abuse, because that is what the Canada Assistance Plan does?

It covers moneys to guarantee minimum income to children. It provides moneys for people to investigate child abuse. Does it really think that it is going to do that? In the context of the climate in Canada where we are having to look for a new federalism, does the federal

government really think that it can bow, financially, out of any obligation for health care, and at the same time insist that it is going to decide what are the national standards and enforce them by withholding other payments?

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I listened carefully to the member for Surrey North.

I wish that he were a member in my province this morning because everything that he said he could help me transmit that to the New Democratic premier of Ontario.

I received a letter from a Dr. Philip G. Klotz, as a matter of fact yesterday. He happened to overhear part of the debate. Believe me, the medical profession in this country shares many of the member's views and concerns about where we are going in health care in this country.

Dr. Klotz talked about the control of costs by government attempting to deny funds to hospitals and medical schools. He made some notes here: "Hospitals are forced to close beds, close operating rooms, use antiquated facilities and fire personnel. Medical schools are pinched for funds, cannot hire superior people and must fire personnel. Superior doctors are leaving for the U.S.A. Staff at teaching hospitals cannot be replaced. There is control of cost by limiting fees to doctors and threatening them with lower salaries, global budgets and income ceilings. There are no restraints placed on the public to restrain utilization except by limiting access to facilities".

He went on and on. He talked about the morale of the medical profession being at an all time low. It is full of uncertainty. Doctors are resentful of being blamed for problems in health care. Many of our best professionals now are being accused of being "interested only in money".

There is a serious problem here with our health care system, our medicare system in this country. This is a tough issue. It is tough for the government which is faced with a fiscal dilemma, although I do not share its approach. I think the more it is cut, the more it suppresses morale. The lower your morale, the tougher it is to produce and work together.

That is where I think it has created this sort of vicious circle. I think it really has to go back and re-examine its approach. I have a question for the New Democratic Party member from Surrey North. What can he say to me to help me make sure that the New Democratic premier of Ontario does not give up on the national health care standards that we have worked so hard to maintain in this country over so many years, knowing full well that the national government, through Bill C-20, is cutting back.

I am not trying to put all that on the shoulders of the NDP government in Ontario, but I need to know what we can do or say to make sure, despite the pressure from the national government, that the premier of Ontario does not cause an implosion of the health care system in the province of Ontario.

Mr. Karpoff: Mr. Speaker, I think that the New Democratic Party in all three of the areas where it has formed the government in the last year, is facing a fiscal crisis left by the previous governments and compounded by this government.

The cuts in transfer payments to Ontario this year alone will amount to about $2.5 billion. It is facing a rising deficit within its own province, but a particularly large chunk of that deficit is because the federal government has simply offloaded its responsibility on to the province. Ontario has been forced to make up about $2.5 billion which previously it received in transfer payments.

All provinces in Canada are looking at ways of making our health care system more efficient. One member seemed to imply that he favoured the doctors being able to ultimately raise their fees to whatever they wanted, that he did not favour any limits to the medical fees.

An hon. member: That is right.

Mr. Karpoff: He says that is right, so he thinks doctors should be able to charge anything they want. Is that Liberal policy? Is that the way they are going to solve the health care crisis? Does that also mean that he is in favour of extra billing or user fees?

An hon. member: No.

Mr. Karpoff: The doctor simply is going to bill whatever he wants and the provincial government is going to pay.

One of the things that is happening in this country is that the provinces are looking at a number of ways to rationalize and maximize their health care systems.

There have been reports in nearly every province that set out a number of things that provinces must do. There is the Seaton report in British Columbia. One of the things that we must come to grips with is the whole question of the numbers and distribution of physicians. There is a consensus and every report says we are probably training 500 more doctors a year in this country than we need. In the metropolitan areas there are far too many doctors for the population and in the rural areas we do not have enough. The provinces are going to have to come to grips with this in conjunction with the federal government to determine how we can provide an equal distribution of physician services throughout the country.

That is one of the things the provincial governments are going to have to do. They are certainly going to have to develop more community based programs as an alternative to institutional care. Every report says that.

One of the problems when the federal government cuts back on money, is that it is the very money that could be used by the provinces for new programs, innovative health care, evaluation of health care and it is lost. Therefore, it weakens the provincial government's ability to do those kinds of economic efficiency developments that are going to be necessary if we are going to continue with a health care system. There are areas in our national health care system that we must face and rationalize, but it must be done within the partnership that has been established between the federal and provincial governments. I believe that is what is so terrible about this legislation. It destroys the partnership that now exists between the federal and provincial governments.

• (1200)

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I must say that I had not intended to speak on this bill this morning but after hearing what has been said since this sitting began, I feel compelled to rise and try to explain to Canadians listening what the purpose of Bill C-20 is, as well as the Canadian reality.

Unfortunately, my colleagues across the floor of the House do not mention the Canadian reality in their comments. What we are hearing has more to do with past dreams or future dreams, than with reality.

What is the Canadian reality? On the one hand there is the federal government which gives annually certain sums of money to the provinces. It does that in two ways, through two entirely different programs. The first is the Established Programs Financing, which gives all provinces the same per capita amount. Then there is the other program, called equalization, whereby the less well-off provinces receive supplementary sums of money from the federal government. These are the two main transfers of funds from the federal government to the provinces.

This morning we heard about health, hospitals and so on, and we heard that health care and hospital care in the provinces would suffer because of the amount of money given by the federal government. Nothing is further from the truth. No figures were given this morning or, rather, the figures given were not related to what we should be looking at.

In 1984-85, the federal government gave to the provinces $14.5 billion under the Established Programs Financing. In 1990-91, it gave a little over $20 billion, I think it was $20.1 billion. In 1991-92, it will be $20.4 billion and in 1992-93, $20.6 billion, under the Established Programs Financing or EPF only. As I said, this is paid equally throughout Canada on a per capita basis.

I now come to equalization payments. In 1984-85, they amounted to $5.4 billion, in 1990-91, $8.1 billion, in 1991-92, $8.465 billion, or almost $8.5 billion and in 1992-93, $9 billion. As I said, equalization payments are for poorer provinces to allow them to continue providing their residents with the things that we want all Canadians to have.

We can see that from 1984-85 to 1991-92, there was a considerable increase in both major programs. If we look, for example, at the Canada Assistance Plan, which applies to all provinces, except Quebec, in 1984-85, equalization payments were $4 billion, in 1990-91, $6 billion, in 1991-92, $6.3 billion and in 1992-93, $6.6 billion.

Again, we see a normal and reasonable growth in the federal government transfers to the provinces. I think we have to explain that, because we hear from the Opposition that there were cuts in the funds given by the federal government to the provinces. There have been no cuts and there will be no cuts. What there has been and will be is a reduction in the growth of federal transfers to the provinces.

In my riding of Trois-Rivières, people understand that. When you say to someone that his pay raise is reduced, he understands that he has got a raise.

Mr. Langlois: Yes.

Mr. Vincent: In Trois-Rivières and in the riding of Manicouagan—

Mr. Langlois: They understand that.

Mr. Vincent: —they understand that, Mr. Speaker. I am convinced that in your riding too, they understand that.

But here, the Opposition on the other side of the House does not understand that. They do not understand that there has been and there will be, under Bill C-20, a reduction in the growth of federal transfers to the provinces. Yet, I just gave them the figures. If they do not understand the wording of the bill, they could understand the figures. Those figures go up.

In my riding of Trois-Rivières, when the figures go up, everyone is happy. I think that here too, everyone should be happy when figures go up. But unfortunately, that is not the case.

We could ask: Why is the increase reduced? There is only one answer to that question: There is a national debt, not a federal debt, but an enormous national debt that must be controlled and reduced. Some say that we have been talking about that for a long time and that they have had enough. We are also sick and tired of talking about it but it is a fact we must learn to live with and that will determine the shape of Canada's future. We must reduce the national debt and bring it under control. I underline "national", Mr. Speaker, to show clearly that the debt is not that of the federal government. It's the responsibility of the country as a whole. Which is why all levels of government in Canada must do their share in the control and reduction of that debt.

It is not the sole responsibility of the federal government. The provinces, municipalities and each and every Canadian have a share in it. The provinces may argue that they did not create that debt, that it was the doing of the previous federal governments. Rightly so but still, they benefited from the money the federal government borrowed so it could give them funds. That's why they must help us solve our debt crisis.

The present government did what it had to do since coming to power. The average annual increase in federal spending has been around 3.5 per cent since 1984. Looking at the provincial spending increases since 1984, from 1984-85 to 1990-91, I see that the average increase is 7.6 per 100 in Newfoundland; 8.4 per 100 in Prince Edward Island; 6.1 per 100 in Nova Scotia; 6.9 per 100 in New Brunswick; 5.5 per 100 in Quebec; 10.2 per 100 in Ontario; 6.2 per 100 in Manitoba; 6.1 per 100 in Saskatchewan; 4.7 per 100 in Alberta; 7.6 per 100 in British Columbia; 11.8 per 100 in Yukon and 11.7 per 100 in Northwest Territories, which makes up a general average of 7.4 per 100 for all provinces. Now, federal spending increases average 3.7 per 100 for the period from 1984 to 1991. One has to wonder whether provinces are not increasing their spending thanks to the money they get from Ottawa whereas we here have to tighten our belt in order to control and take in hand our national debt. Mr. Speaker, you know as well as I do the debt figures for each one of the provinces. They are a lot less indebted than the federal government, and I commend them for it.

• (1210)

I think those figures speak for themselves as they reflect the Canadian reality, the problems this government has to deal with so that our country enjoys a good economic situation in an immediate future. An individual or a company or a public administration which owes too much money is no more in control of its decisions. And from the moment an administration or an individual is no more in control of its decisions, the situation can go anywhere. Canada is in control of its decisions, but it has an enormous debt. If we want to continue to be in control of our decisions, we have to take the necessary steps to reduce the debt and, in turn, manage our finances properly.

Looking at the figures I quoted, we realize that what we heard this morning from the other side of the House does not reflect reality. Let us take for example my own province, the beautiful province of Quebec. In 1984–85, the fiscal year in which we were elected, Quebec was getting $8.1 billion from the federal government, that is $1,256 per capita. In 1991–92, this fiscal year, the government of Quebec will receive $10,599,000,000, that is almost $10.6 billion, or $1,541 per capita. The federal government will give Quebec $1,541 per capita, through only two programs, the Established Programs Financing and the equalization program. According to my calculations, between 1984–85 and 1991–92, there was an increase of $300 per capita in Quebec. I heard some of my colleagues say that the federal government was offloading its deficit on the provinces. In Trois-Rivières, when that happens, there is no increase of $300 after seven years. That is what we have here. That is what we must realize.

It is all a matter of figures. Figures show that, between 1984–85 and 1991–92, every resident of Quebec, through his or her government, will have received from the federal government $300, thanks to two specific programs. So, you see, Mr. Speaker, there was no offloading. There was just good management from Ottawa. Bill C–20 is another example of good management. Of course, Mr. Speaker, as the federal government, we would like to give more to the provinces and to everyone, that is for sure. Being politicians, we like to give because it makes people happy; if we take something from them, that makes them unhappy and they do not have kind words to say about us.

When we were elected, we were also given major responsibilities, and I am not talking only about the government, but also about the Opposition. They are duly elected to administer this country, and that requires decisions that are not necessarily easy and that do not necessarily make people happy. Sometimes, you have to say no in order to secure the well-being of this country. And the well-being of this country, at least in my riding of Trois-Rivières, is a matter of bread and butter. When people are happy in a buoyant economy, all the rest seems to fall pretty well into place. But when the economy is not in good shape, there is discontent.

We are saddled with an enormous debt and we have to pay huge interest costs on that debt. We have to make decisions in order to reduce that debt and pay those costs. Bill C–20 should be seen in that context. We are not taking anything away from the provinces. I mentioned figures to show that they will receive each year an increasing amount compared to what they were getting when we came to power, although it is true that they will get less than what they could have expected. That will be part of their effort to help this government and the Canadian Parliament make our economy stronger. One way of making it stronger is to control our national debt as opposed to the federal debt.

I see that my time is up, and I would like to thank you, Mr. Speaker. I urge the opposition parties to come to terms with the situation we are in and to remember the mandate they were given by their constituents. And the mandate they got is not strictly to oppose, but to run and manage the country called Canada.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I listened closely to what my hon. colleague opposite has just said. As an opposition member, I too would very much like this country to be managed reasonably, in such a way that we could give people the kinds of programs and the kinds of things they want. But, you know, it is very hard for opposition members to do their job, to do the things for which they were elected, when we are continually faced with a government that orders us around and tells us: "We know it all; you know absolutely nothing."

We too sometimes have good ideas that are worth listening to. I would like to see the day when we could sit together and discuss in a positive way instead of being called a bunch of fools, instead of being told that we know absolutely nothing, that the people we represent don't know what they are talking about, that the government knows it all, that it have all the answers.

• (1220)

We ask if you are willing to help us. Some day, gentlemen, if you are lucky enough to be here still, you will be in opposition and you will know how frustrating it is to submit a good idea and to be continually put down for it. This does not help the country. You see where that has gotten us today.

If you are so lucky as to be here the next time—and I doubt it—will you be willing, I ask you, to help us if we find ourselves in your situation? As far as I am concerned, and I know many of my colleagues are of the same opinion, we will be willing to work with the opposition parties instead of telling them all the time that what they say does not make any sense.

Mr. Vincent: Mr. Speaker, allow me first to tell my hon. colleague that she has a very nice dress, and the colour of it is fantastic. I just wanted to tell her how nice the colour is. I hope that she will wear that dress regularly.

This being said, I do not agree with my colleague when she argues that we never listen to the opposition members and their suggestions. Take for example Bill C–44, an act to amend the Canada Labour Code. Just last Friday, I conducted the debate in this House on C–44, which deals with a problem that relates specifically to the riding of Trois–Rivières. I worked in co–operation with her party's critic for labour matters and with her party's leader in the House, and on Friday, we succeded, thanks to the NDPs for their help, in agreeing to this very important legislation both for my region and for Canada.

Cooperation is possible but, again, on one condition, provided that numbers are also understood. I am willing to help my honorable colleague, and she knows it, but she must avoid asking for money whenever she submits an idea. Her ideas must not be always accompanied by a request for money, because then we have a problem: there is no money. But if you want to address ideas, I think that all members on this side of the House are always willing to cooperate, and committees are there to demonstrate it.

In conclusion, allow me Mr. Speaker to encourage my honorable colleague to tell her liberal colleagues of the other place that if they can agree to bill C–44 today, the people in my riding of Trois–Rivières will be quite pleased with it. If she can carry this message, I will gladly do the same for her on another occasion.

[*English*]

Mr. Mills: Mr. Speaker, I have a short question for the parliamentary secretary.

He said during his speech that this is an issue of figures. Well, I do not agree with the parliamentary secretary. This is not just an issue of figures. There is obviously something wrong when in spite of the transfers to the provinces, our health care system has never been in such disarray. That applies to every region of the country.

Either we are putting more stress on the health care system through added usage, or if we are not doing that, then obviously there is a problem with the efficiency of the health care system.

This is where my feelings on the role of the national government may be a little different from his. The national government is the major partner, the leader in universal health care in this country. If the system is breaking down in spite of the tremendous transfers to the provinces, does he not think that maybe it should be investigated to make sure that our portion of the partnership is being managed properly? I think it is fair ball for you to say that we should deal with reality. The reality is that the health care system in this country is not functioning right now. Just cutting it and treating it with numbers alone I do not believe is the only answer. Monique Bégin had to intervene in the mid–1980s because the provinces were bringing in user fees. The national government took the lead under Pierre Trudeau and said there will be no user fees. We had a tough time but we took the lead and we said that we were major partners in health care in this country and we did not like what the provinces were doing with it.

As a constructive opposition we have a suggestion for the government and the Parliamentary Secretary to the Minister of Finance. If you are representing to the Canadian taxpayers to the tune of close to $40 billion in transfers and we know it is not working maybe you should get beyond the figures and see how the system is being managed.

I would like to have his response to that.

[*Translation*]

Mr. Vincent: Mr. Speaker, I appreciate the hon. member's question. I said it was a question of figures, considering that in most of the debate on this bill, the federal government has been accused of cutting payments, which is not the case. If we are talking about

another problem, our national health care program, I think he is right when he says that this program seems to be going nowhere fast. However, I have a problem. I have a problem because it has always been my understanding that health care was strictly a provincial matter. It has always been my understanding that the federal government gave money to the provinces to ensure that Canadians across the country would have the same access to a good health care system. However, if the provinces are responsible for this particular area, I don't see why I, as a federal member, or my government, should come and look at what is going on in the hospitals in the riding of Trois-Rivières and try to deal with problems that are strictly the business of the provinces.

To my knowledge, our national standard of health care seems a valid one and is the same everywhere in this country. The way health care is administered, and the kind of service patients get, do not appear to be the same everywhere, and I agree with the hon. member on that score. However, it depends on the way each province administers the health care program. I would certainly be the last person to want to interfere in matters that are strictly under provincial jurisdiction. I don't interfere with the hospitals in my riding, and our MNA does not interfere in federal matters. I agree that we do give a lot of money. However, the provincial governments were duly elected, and they were elected by the same people who elected the hon. member and who elected me. I assume they are sufficiently qualified to make good use of the money they are sent annually by the federal government to ensure that Canadians across the country receive quality health care.

I repeat, and the hon. member is shaking his head that health care is a provincial matter, I do not think we should interfere in provincial matters. This is a very sensitive issue, especially today, and there are those who are particularly thin skinned. Mr. Speaker, I see that my time has expired.

• (1230)

[*English*]

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I want to take the opportunity to respond to the parliamentary secretary who has asked this House to face reality.

I will begin by asking him to face one reality which was in the headlines of every newspaper today. His own government now stands at 16 per cent in the polls in every region of Canada and no longer enjoys the trust or the confidence of Canadians. They have ceased to have any respect for its ability to govern.

The reason was amply demonstrated in the words we just heard from the parliamentary secretary this morning when he described his reality versus the reality that Canadians face. He lives in another world. He lives in a world that has been concocted by the Department of Finance to describe Canada. He does not describe the reality of my riding where there are now months upon months of waiting for the most basic surgery in the hospitals in my riding.

The University of Manitoba has had to increase its tuition fees by 20 per cent and cut staff by 125 positions because it no longer has enough money to offer a proper educational system even though the enrolment has increased by 7,000 over the last three or four years. The kids cannot get jobs so they go to university. That is the harsh reality of Canada.

The harsh reality is that Canadians believe that their health care system is what makes them Canadians for the large part. It is what makes us different. It is what has demonstrated a sense of values about mutual caring that has been the essence of this country for decades. They see a government that is dismantling it piece by piece with a callous indifference that the parliamentary secretary has already shown.

The irrationality of it is that here is a government with another $25 million for another consultation about how we become more competitive and more productive while at the very same time it is responsible for cutting back the very investments in health and education that will make us more competitive and productive. Talk about putting logic on its head.

I am going to stop right now. I hear a member of the Conservative Party saying: "What about the deficit?". I am glad he asked the question.

[*Translation*]

Careful, my friend! Just wait a minute.

[*English*]

Statistics Canada is the government's own agency. It is not a Liberal research tank or some kind of left wing think tank. The government's own statistical agency produced a report in *The Economic Observer* this spring.

What did it say? What is the cause of the present deficit? The cause is not an increase in social spending which has maintained a stable level of percentage of the Gross National Product for the last 15 years.

The responsibility for the deficit according to Statistics Canada is from two things. The first is that this federal government has given up revenue and handed over large amounts of revenue to corporations and others. The second is the high interest rates which this government defends as being the basis for economic health and stability. That, sir, is the cause of the deficit. Yet by attempting to create a mythology or a false argument it keeps saying: "The only way to solve the economic problems of Canada is to deal with cutting back social programs and health care and education". It is a great act and a verbal trapeze. It is a double backward somersault in logic.

One thing we can be thankful for is that Canadians do not buy it and they do not accept it. That is one reason why this government is totally bankrupt in support, authority and confidence. That is the harsh reality.

We will only solve the problems of this country when this government goes. It no longer has the ability or the confidence or the integrity to govern any longer. I wish that every Canadian could tune in to this debate over the next couple of days because Bill C-20 epitomizes just how strange and perverse the Conservatives have become.

The parliamentary secretary tried his utmost to manipulate the figures to say they have been increasing a certain amount per year. He did not say that inflation increases a certain amount per year as well. And if you actually get down to the per capita figures in 1994-1995 there will be less per capita going for health care in this country than there was in 1977-1978 when the EPF came in.

If you subtract, which I think you have to do to be fair, and use constant dollars instead of inflated dollars then this federal government would be giving less in 1994-1995 than was given in 1977-1978, almost 20 years later.

That is the contribution to our health and educational system which we are going to substantially slice. We cannot even say after 20 years of growth that we are going to be giving less. He says that is a great example of government management and administration. What kind of Tory logic, Conservative mathematics or Mulroney mathematics is it, Mr. Speaker, that tries to say that it is good management?

[*Translation*]

And for the province of Quebec, that great province represented by the parliamentary secretary, there will be no money left by 1996-97, because in 1996-97, there will be no more cash transfers to the province of Quebec for health care.

[*English*]

So even in their own province unfortunately, Mr. Speaker, the parliamentary secretary—

Some hon. members: Oh, oh.

The Acting Speaker (Mr. Paproski): Please. There will be an opportunity for questions and comments after the hon. member finishes his speech. The hon. member has the floor.

Mr. Axworthy (Winnipeg South Centre): I can tell you, Mr. Speaker, I will welcome those questions.

I want to point out one thing very clearly. What Bill C-20 does is eliminate year by year the federal government's cash transfers to the provinces. It begins with the province of Quebec in the mid-1990s and will end in Newfoundland around the year 2003. At that point there will be no federal cash involvement in the support of our health or our higher education. As a result we will lose the ability as a national government to have any role in the management of those affairs.

Even the present minister for trade when he was Minister of Finance and just before he escaped that sinking ship admitted that it was true that that would happen. But he said he would bring in another piece of legislation to make sure that the provinces live up to the requirements of the health care system. Except, Mr. Speaker, there is one problem with that. It will not stand up in the courts. It is not even constitutional according to legal opinion.

Here we have a situation in which the Minister of Finance in his last budget froze the total entitlements for the next three years. The cash transfers for health and education will disappear. He admits it. He says that will pose a problem for medicare. So he says: "I have a solution. I will bring in a new bill". Except, Mr. Speaker, the bill will be illegal, unconstitutional and it will not work.

What will happen? What will be the consequence? We will then have the fragmentation of our health care system. There will be a two-tier system, one for the rich and one for the poor. The medicare system which has been one of the great hallmarks, one of the great achievements of this country will cease to exist in its present form. That will be the end result of Bill C-20.

This will be a defining moment for this country in the sense of losing one of the things that has given a sense of common purpose. It gave a sense of unity in its own way. Members opposite say we must defend unity but in the meantime they dismantle and tear apart those things that have made this country unified. They have taken apart those things that have brought Canadians together. They have turned it into a country that has region against region. Why? Because there is nothing left held in common.

We sell off this Crown corporation. We destroy the post office. We rip apart medicare. There is not much of a nation left. After eight years of Tory rule they are destroying this country and Bill C-20 is the prime example of it. Exhibit A, Mr. Speaker.

• (1240)

An hon. member: Remember the deficit.

Mr. Axworthy (Winnipeg South Centre)): Here we go about the deficit again.

Their problem is that they do not listen very well. I say, let us deal with the deficit, but let us ask the President of the Treasury Board to deal with the problem identified by his own research and by his own government agency. It is: You had better recapture some revenue and you better get your interest rates down, because it has nothing to do with social spending.

I know they have trouble reading. I know the former minister of trade and industry, Mr. Crosbie, never read the free trade act. That is why we got into that horrible mess. Now we have the President of the Treasury Board saying that he does not read his own economic analysis from his own agency called Statistics Canada, which described for him what the problem in the deficit was.

I suggest, in all charity and kindness, that the best solution for Canada in the few months remaining for this government would be to give its members a remedial reading course so they can begin to read their own documents and understand what is going on here.

Most of all, it might enable them to read Bill C-20. It sets out in black and white that beginning in the middle part of this decade and ending in the year 2003, the federal government will no longer be directly involved in the support of health care and higher education.

As a result, our ability to maintain the five principles of accessibility, portability, comprehensibility and public administration will disappear because we will no longer have any leverage to exercise on the provinces.

If a province wants to introduce user fees, it can introduce user fees. In fact, the Minister of Energy, Mines and Resources, my co-parliamentarian from Manitoba, the member for Provencher says maybe we should have user fees. His other colleague, the Minister of National Health and Welfare, at the health meeting in Winnipeg in September agreed. He is prepared to accept asymmetrical programming in health care. That is, if some province wants user fees and another one does not, he will buy that. He does not care about that.

I would submit to you that as soon as we begin to surrender on that front, as soon as we begin to say that there will be a health care system graduated for your ability to pay and those with the most money get the best care, that will be really the end of this country as we have known it.

It will be the end not just in terms of health care itself in what we provide, not just in terms of money, but also in terms of values, of what we believe in, one to the other. That is why this bill is so important and that is why members opposite should understand why people here feel strongly about it.

We have heard from our constituents. We understand their reality. The reality is that they see their country being destroyed. They see their country being taken apart piece by piece. They see programs that were essential to their identification and to their security as Canadians being undermined. That is the hard reality.

The reason why people are discontented, why there is such anxiety and insecurity is because the props are being taken out. The kind of social contract that we have spent decades trying to build in this country, upon which the market system and the private enterprise system of Canada has been based; the idea that there can be a fundamental framework of security and the government

will act as the anchor weight to that is being thrown away. It is being put on the scrap heap by this government.

As soon as you begin to unravel that social contract, as soon as you begin to take that apart, everything else begins to dissolve with it. That is labour fighting management, in hard, conflictual terms. That is when you have region against region and community against community.

An hon. member: —put people back to work.

Mr. Axworthy (Winnipeg South Centre): That is the difference.

It strikes me as exceedingly strange. It is almost immoral that a member of this cabinet can sit in his seat and take great pride in an economy where 1.5 million people are out of work. That really is a great economic accomplishment.

That is something to really take great pride in, is it not? Is that not an example of a government that cares? Is that not an example of a government that really knows how to organize an economy, that it will tolerate 1.5 million Canadians unemployed? That is 1.5 million Canadians who no longer make wages, who no longer contribute taxes, who no longer can provide for their families and who must go to food banks. Rather than saying that in regret and sorrow, rather than saying that as a matter of public concern, the minister opposite takes pride in that. He thinks that is an accomplishment.

I say to you that is one reason why the headlines in every newspaper today report that the Conservative government stands at the lowest level in the polls of any government in the last half century and has lost the confidence of all Canadians.

Mr. Corbeil: That's why we have taken reasonable steps to correct the situation.

Mr. Axworthy (Winnipeg South Centre): Oh. Now we are taking steps to correct the situation. Is it not interesting. Let us look at the steps they have taken. They signed a free trade agreement, so what do we have? The first trade imbalance in 15 years. There is a great important step forward. This was going to be the open sesame to great trade bounty and we have the first trade deficit in 15 years.

We have the dollar at a level which is exterminating our export industries. We have a situation where 600,000 Canadians go to food banks. When you translate that into hard economic terms, those are human beings who no longer can produce for themselves or their community. As a result they cannot buy things. They cannot buy a fridge, or clothing for their kids at Christmas time. As a result, the retail stores are shutting down. They are firing their employees who will go on reduced unemployment insurance and eventually come off.

What is happening is that the economy is shrinking. Confidence is waning. Demand no longer is there. This government has no answers other than to say that the right steps are being taken. Remarkable. The right steps are being taken.

Around them, the foundations are crumbling, but this brave minister and this brave government march on to their own tune. Unfortunately, nobody in this country is following any longer. Sooner or later their parade is going to come to an end and we are going to get this country back on the tracks again.

The first thing we are going to do is rip up this Bill C–20. That is one of the first things that goes because we are going to have to get back into the business in Canada of investing in proper health care and education. We will never be a strong, productive, competitive nation with a higher education system that is deteriorating and becoming mediocre; that cannot do research or train its students; that is firing professors and cannot buy new books for the library. We will never be a competitive, productive nation if our country begins to destroy its health care system, which gives its own people security.

It is fascinating that the United States, the great paragon of free enterprise, is now debating whether to have a Canadian style medicare system. Why? So that it can become more competitive and productive and have a nation–wide program to bring its own costs into some kind of stability. It is finding that it is paying an awful lot more through its private health insurance plans and therefore reducing its own competitive ability.

While they are beginning to look at our plan, we have a government that is destroying it. Once again, this is one of the greatest acts of illogical perversity that has ever been put upon the people of this country.

I do not suppose that anything we say is going to change their minds. I will tell you one thing it is going to do. It is going to hasten the change of a government in this country. It is going to hasten the change back to doing things in a real Canadian way on behalf of all Canadians.

It is going to mean that we are going to get back to deciding what is the priority and I will tell you what the priority is. It is not the illusion that the parliamentary secretary talked about. If this government really wanted to deal with the deficit, then we might have a finance minister brave enough to start recapturing those revenues that they gave away to their big business friends in the last eight years, because that is what Stats Canada said.

Capital gains, write-offs, grants; you name it, you got it. I will tell you the day will come—the day will not come for them because they will not be here any longer—when we will be able to restore some sense of reality to governing in this country. It will be a day to decide who are the winners and the losers. It really is going to come down to a basic battle between a kind of elitist corporate view of the world which is contained in the cabinet rooms of this government, and a democratic view of this world which means that you represent all people and you try to provide the programming, the finances and the economics that represent their concerns.

• (1250)

That is why Bill C-20 is of crucial concern to all of us. It really represents, perhaps as no other piece of legislation has, that difference of view. It represents, perhaps as no other legislation that this government has brought in, the clear demarcation of philosophy and approach as to how to govern this country. It basically points out whose side you are on, and where your interests really lie.

That is why this party is opposed to it and clearly committed to restoring proper federal participation in the support of good education and good health care for this country. That is how we believe we will build a good Canada.

[*Translation*]

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Mr. Speaker, the hon. member for Winnipeg South Centre, instead of speaking to the bill before the House today, has decided to make a very political speech that is full of inaccuracies, false truths and false statements, and I feel it is time to set the record straight.

There are two particular points I wish to address.

[*English*]

The member for Winnipeg South Centre mentioned in his speech that transfer payments to the provinces in the health care program have been reduced. I would like to point out that this is not true. The reality is quite different. The reality is that the increase in transfer payments has grown more slowly in recent years than in the past. This is due to the fact that when this government took power in 1984, the government of which the member for Winnipeg South Centre was a member and a cabinet minister, left it with a deficit of $200 billion. This deficit today is in the area of $400 billion, but the increase is the result of compounded interest of close to $200 billion that has grown on the debt itself. This government has not contributed a black penny to the deficit.

To reimburse the interest on $400 billion you have to pay in the area of $40 billion in interest a year. That is why we had to reduce the growth of the transfer payments. These are the hard facts.

[*Translation*]

He also said that in 1995-96, the province of Quebec would no longer receive or benefit from federal transfer payments. There again he distorted the facts, because my hon. colleague knows very well that the Government of Quebec decided to take tax points instead of transfer payments. By taking more tax points, as Quebec negotiated with the federal government, it receives less in cash transfer payments. I would like to ask my hon. colleague: When Quebec was asking for more tax points instead of transfer payments and he was a cabinet minister in the government of the day, if he is opposed to that principle today, why did he not express his opposition then and make the case against it that he has in the House today?

I say that he should have done so then. It is too late today. Quebec made that choice and the federal government respects it. The federal government will also try to respect it in future, of course, because that is what the province wants.

My hon. colleague from Winnipeg South Centre should tell the House and Quebecers where he was when those discussions were going on.

[*English*]

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, the hon. member has taken the occasion to challenge some of the facts. The fact is that Quebec did not opt out of only taking tax transfer points, it still receives cash outlays.

I stand by my record, which is included in the government's own figures, that by the year 1996–97, no longer will there be cash transfers.

I would refer the hon. member to the statements made by his own ministers of health at the meeting in Winnipeg in September where all the health ministers began to say that is the problem.

What he avoids is this question. Perhaps to him it is not an important question, but to many of us it is certainly important. Once the cash transfers disappear, as they will in Quebec in 1996–97, how will the federal government exercise it's responsibility to ensure universality and accessibility of the Canada medicare system? How will it do it? Its answer is: "We will bring in legislation that will give us the right to do it legally". We now know that legally and constitutionally it will be thrown out by the courts. It has been challenged.

Therefore, the federal government's withdrawal from that system will mean that we will end up in a system of different health programs, province by province, region to region. The ones who will pay the most will be the poor provinces which do not have the cash base.

It was not my interpretation. I regret deeply that members opposite are so illiterate. If they had bothered to read the legal opinion that was tabled in front of the committee studying Bill C–20, they would know where the opinion came from. Unfortunately, they have not bothered to do it.

Let us go back to this "deficit issue". This an interesting little debate because Tories love to talk about it. Once again, I will repeat myself because apparently the first or second time they do not quite understand.

Statistics Canada, your agency, run by the Government of Canada, produced a report this spring that said: "What caused the deficit?" It said it was not spending on programs. They have remained the same. What caused it was a loss of revenue because a government reduced and gave away all kinds of revenue it otherwise had by about 20 per cent and high interest rates. What has been the dominant economic policy of the Mulroney government since it has come into power? High interest rates. High dollar, high interest rates, and he said: "We inherited this deficit and it jumped from $125 billion to $400 billion, but we are not responsible. *Mea culpa*, not me. It could not be us. It went from $125 to $400, but the fact that we have been government for close to eight years is totally irrelevant".

The first four years we had a growth economy. We were averaging 5 per cent, 6 per cent growth a year. It went to 32 separate tax increases at that time. Where did the revenue go? Who did it give the money to? Did it use that revenue of high growth and 32 tax increases to reduce the deficit? Hardly. It is still at $31 billion a year.

What it did in terms of its own brilliant economic analysis, it forced the interest rates up so that what happened is that of course the deficit quadrupled and multiplied in geometric terms. It was a direct consequence of a policy decision taken by this government over the past eight years. That is the reason why that deficit has increased. Therefore—

The Acting Speaker (Mr. Paproski): Questions and comments have now terminated. Debate.

Mr. Duhamel: Mr. Speaker, I notice it is four minutes to one. Shall I call it one o'clock?

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

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): It being one o'clock p.m., I do now leave the chair until two o'clock p.m.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

HOUSE OF COMMONS

AUDITOR GENERAL'S REPORT

Mr. Speaker: I have the honour to lay upon the table the report of the Auditor General of Canada to the House of Commons for the fiscal year ended March 31, 1991.

[*English*]

I remind hon. members that pursuant to Standing Order 108(3)(e), this document is deemed to have been permanently referred to the Standing Committee on Public Accounts.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

VIOLENCE AGAINST WOMEN

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, this week marks the first annual white ribbon campaign, a campaign to help end violence against women through heightening of men's awareness to a problem which takes many forms.

Let the facts speak for themselves. Men make up only 48 per cent of our population, yet are responsible for 90 per cent of the violence. Over 90 per cent of sexual assaults involve female victims. One in four young women under the age of 18 will be abused.

These facts are very real. Women live in fear that the majority of them can expect some form of harassment or sexual violence at some point in their lives. Violence against women is a symptom of deep problems in our society which relate to underlying sexism and stereotyping. Violence against women is not a social problem, it's a crime, as we saw so clearly at Humber College in Etobicoke this last weekend. Only through education can we hope to end such violence. It is time to confront the issue and for all Canadians, female and male, to speak out. As we approach the anniversary of the École Polytechnique, let us remember all victims of violence and their families.

* * *

[*Translation*]

QUEBEC INDUSTRIAL STRATEGY

Mr. Guy St-Julien (Abitibi): Mr. Speaker, Quebec's new industrial strategy was announced in Montreal yesterday by the Minister of Industry, Trade and Technology, Mr. Gérald Tremblay, in the presence of Premier Robert Bourassa, the leaders of the Conseil du Patronat du Québec and the Manufacturers' Association, Ghislain Dufour and Richard Le Hir, as well as the presidents of the FTQ and the CNTU, Fernand Daoust and Gérald Larose.

The purpose of the Quebec industrial strategy is to create 200,000 new jobs by the year 2000, thereby bringing the rate of unemployment down to 8 percent. That is a first in North America. Businesses from a given industry will be called upon to join forces or interact to promote job creation and facilitate the emergence of local subcontracting firms. According to Mr. Tremblay, all Quebecers will be invited to contribute to this concerted effort and the success of all is now dependent upon a rapid transition to a value-added economy. The public must take part in the strategy by questioning the generosity of the system and demanding quality products.

* * *

[*English*]

THE ECONOMY

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, last night people in Ottawa were treated to a great show, the lighting of the Christmas lights on Parliament Hill.

I do not want the Prime Minister and his Minister of Finance to be blinded by these lights. I want to shed more light on unemployed Canadians because it seems that the Minister of Finance and the Prime Minister do not see what this government's economic policies are doing to Canadians.

The following lay-offs over the last year have resulted in an unemployment rate of 15.2 per cent in my riding of Timmins-Chapleau: Renabie Mines, 190 workers; Dome Mines, 277 workers; Canamax Mines, 99 workers; Palmour Mines, 62 workers.

Two more lay-offs announced recently will drive the current figures even higher: Abitibi Price, 161 workers; Mike's Supermarkets, 191 workers.

During this holiday season, the only worthy response to this government's handling of the unemployment crisis is: Bah, humbug.]

* * *

CYPRUS

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, a few weeks ago the Montreal daily *La Presse* published a series of articles about Cyprus. I found Mr. Toupin's work to be truly enlightening.

[*Translation*

So far, the numerous UN resolutions aimed at putting an end to Turkish occupation have not been implemented. Recent UN efforts to reconcile differences, supported by many U.S. government initiatives, seem to be going nowhere.

Canadians are proud to join their voices with those of all the people who speak up for international justice and order. The Canadian military presence in Cyprus as peacemakers make us even more credible. Our position is not inconsistent with the UN resolutions which incidentally have our support.

[*English*]

Allow me to quote Cyprus' President Vassiliou who says that:

[*Translation*]

"The solution of the Cypriot problem is of greater importance than the problem itself."

* * *

[*English*]

CANADIAN BREWING INDUSTRY

Mr. Joe Fontana (London East): Mr. Speaker, our brewing industry was supposed to be protected under the free trade agreement, but what we have witnessed after three years of this agreement is that the United States says one thing and does another.

U.S. trade representative Carla Hills has laid down an ultimatum, even before the full GATT council meeting in February, that all discrimination against U.S. beer must end by December 29 or face U.S. duties on all Canadian beer entering the United States. A lot of Canadian brewery jobs are at stake at Labatt's, Molson's and Moose Head and over $190 million a year in exports to the United States is at stake.

I ask of the government: Will the Canadian government do what it promised under the FTA and support our Canadian brewing industry? Will the Canadian government fight the discriminatory practices of American states against Canadian beer sales in the United States?

Let us tell Carla Hills to snap a cool one of Canada's finest and take a hike.

* * *

GASOLINE ADDITIVES

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, in mid-October, the Minister of Agriculture spoke about fuel ethanol opportunities to an audience of western farmers and business people.

He indicated that grain or biomass-derived fuel ethanol can be one of Canada's transportation fuel options in the 1990s.

In a few short weeks it will be 1992. Why is it that the United States can take advantage of these market opportunities quickly while Canadian policy is strangled by bureaucratic red tape? The minister should breathe life into a Canadian policy for ethanol production thereby helping farmers, industry and the environment.

* * *

THE ECONOMY

Mr. Rex Crawford (Kent): Mr. Speaker, the recession is not over in southwestern Ontario.

In Chatham and Kent County, a 400 per cent increase in welfare rates since 1981 and a 30 per cent unemployment rate in the automotive sector alone are signs that the Mulroney-made recession is still here.

Millions of people west of Toronto have been left drowning in a sea of despair, with no regional development program of their own.

I am encouraged by the recent signing of the Canada-Ontario Labour Force Agreement. Chatham, Ontario, and area are prime candidates to receive funding. Skills training is absolutely vital.

The Kent Industrial Training Advisory Committee works with St. Clair College and Wallaceburg's High School was the first in all Ontario to establish a perma-

nent training facility, helping students and the unemployed from basic education to high-tech. I urge the government to put its money where its mouth is and expand support for these and other training facilities to help even more people in this time of economic adjustment.

* * *

• (1410)

VIOLENCE AGAINST WOMEN

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, I rise today in the House to join my voice with those of my colleagues who spoke yesterday and today in protest of male violence against women.

Recent events have called on men everywhere to examine their attitudes toward women.

[*Translation*]

The tragedy at the Ecole Polytechnique took place two years ago. It is a case of terrible violence against women but it is only the most horrible and brutal example. It is time for us to take a more active role and to take on our responsibilities. This white ribbon campaign is an ideal way to make our fellow citizens aware of the need to end violence against women both inside and outside the family.

[*English*]

The white ribbon campaign is rapidly gaining support across Canada. I urge this government to stimulate even greater public awareness by the introduction of education programs.

Through these and other means we will be able to secure a future for Canadian women that is free of violence.

I urge my fellow colleagues to endorse the white ribbon campaign and to take action to decrease the senseless violence against women and I call especially on all aboriginal leaders to do likewise.

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ROYAL COMMISSION ON REPRODUCTIVE TECHNOLOGY

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, the Royal Commission on Reproductive Technology is facing serious allegations of irregularity. Four of the nine commissioners are planning to launch a lawsuit against the commission and the federal government.

The government interfered with the commission last year when it altered the order in council and appointed two new commissioners. It stripped the commissioners of all responsibility and involvement in the decision-making process in order to vest authority exclusively in the chair.

There are deep concerns that the government is going to disband the commission to avoid the embarrassment of a court case.

New reproductive technologies are advancing ahead of our abilities to understand them and they have deep implications for our society. They are commercializing life and creating the notion of designer babies.

Will the Prime Minister give us his assurance that this commission will not be disbanded simply to avoid embarrassing disclosures?

* * *

DARYL BEAN

Mr. Garth Turner (Halton—Peel): Mr. Speaker, union leader Daryl Bean is a vice-president of the New Democratic Party. The NDP leader stood with him during the recent Public Service Alliance strike.

The NDP has been a strident supporter of efforts to eliminate all traces of violence against women. Many NDP members today in the House are wearing white ribbons such as mine as a demonstration of that commitment.

I ask them and their leader this question:

Do you condone the threats of Daryl Bean made against three—

Some hon. members: Oh, oh.

Mr. Speaker: Some hon. members and perhaps the hon. member for Halton—Peel are not aware that that very matter is presently seized by the Chair and I am going to have to make a ruling on it.

* * *

SPRUCE FALLS POWER & PAPER COMPANY

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, today, December 3, 1991, is of great historical significance to the northern Ontario towns of Opasatika, Val Rita-Harty, Kapuskasing, Moonbeam and Fauquier. The employees and residents of these towns officially

become the majority owners of the Spruce Falls Power & Paper Company, along with Tembec as a minority shareholder.

During the last year, residents of the area have demonstrated tremendous strength and willpower as they were determined to retain 5,000 regional jobs. The loss of these jobs would have been disastrous for the entire region.

Today local investors will start to control their own destiny as the profits will be reinvested in the mill in order to remain competitive in global markets. The $15 million investment by the local people indicates a vote of confidence in the workers' expertise and talent.

I am very proud today to express my sincere gratitude to the men and women who were instrumental in achieving this success by ensuring the future viability of the Spruce Falls Power & Paper Company.

* * *

RESEARCH AND DEVELOPMENT

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, supply and services has awarded $400,000 in research contracts to American universities. One is for planning a model for energy technology, another is on atmospheric oxidizers, another on the validity of lie detectors, and another on interactive teaching technology.

No Canadian universities it is said were capable of doing this work, some of which is of obvious strategic importance.

The question here is not whether contracts should be issued to American universities.

The real question is whether we shall see more and more of this as Canadian universities, deprived of labs and researchers, and increasingly deprived of research and operational funding become increasingly incapable of responding to Canada's competitive needs.

THE CONSTITUTION

Mr. Doug Fee (Red Deer): Mr. Speaker, an article in *The Gazette* last week referred to our constitutional discussions under the heading "All the bickering is among politicians".

It went on to say that relations among the people are surprisingly harmonious. *The Gazette* does not get much coverage in Alberta, but the theme of its article is just as true there as it is in Montreal.

Thinking Canadians want to keep this country united, but they want other Canadians to understand them and their aspirations. It is no time for us to chase partisan, political points. It is time to listen and to share the opinions expressed by our constituents.

Albertans have shared some very strong feelings with me. They want others to understand us, just as we need to understand them. As MPs, we need to put political considerations aside. Each of us must listen to our constituents in a calm, constructive way. Then we must show them that this House can work, that we can truly represent the views of our constituents and build consensus on it.

The people demand it. The people deserve it. The country is more than worth it.

* * *

SUMMERSIDE AEROSPACE CENTRE

Mr. Joe McGuire (Egmont): Mr. Speaker, Thursday, December 5, will mark the official opening of Bendix Avelex Inc. Atlantic Support Division and Atlantic Turbines Inc.

Both facilities are part of the new Summerside Aerospace Centre located in St. Eleanors, P.E.I., the former site of CFB Summerside.

These companies are the major tenants of the new centre, a high-tech operation designed to bring economic development to the Summerside area and off-set some of the job losses causes by the base closure.

Atlantic Turbines is a repair and overhaul facility which has about 30 employees and plans to continue expanding and hiring in the new year.

Bendix Avelex is a world class supplier of aerospace and defence equipment. Its Support Services Division

provides support of aircraft equipment and accessories for government, commercial and business aircraft. The company is the largest support contractor of its type in Canada. It employs over 20 people and has tremendous growth potential.

Attracting two companies of this calibre to Summerside is a major accomplishment. It is a beginning, and it is a tribute to the hard work of the Slemon Park Corporation, the P.E.I. Department of Industry and ACOA. I offer my congratulations to all parties and to the two companies involved.

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CHRISTMAS TREE INDUSTRY

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, last week the hon. member for South Shore criticized the House of Commons for displaying fake Christmas trees. I could not agree more.

I do however disagree with the hon. member that the best Christmas trees, that is real trees, come from Cumberland County, Nova Scotia.

The best trees, superior trees come from New Brunswick and more specifically, the riding of Carleton—Charlotte.

This was recognized yesterday, Mr. Speaker, when the mayor of Nackawic, New Brunswick, Stephen Hawkes and myself presented His Excellency the Governor General with a real New Brunswick Christmas tree.

Unlike the House of Commons with its phoney trees, Rideau Hall will have the real thing, courtesy of the citizens of Nackawic, New Brunswick, the forestry capital of Canada for 1991.

* * *

THE ENVIRONMENT

Mr. Peter L. McCreath (South Shore): Mr. Speaker, this country, now more than ever, needs men and women to come forward with solutions to today's environmental problems.

Thanks to another element of Canada's green plan, people with innovative ideas will be better able to participate in making our environment healthy.

The government has unveiled the Environment Innovation Program, designed to fund original research and development proposals on the environment.

The program will tap the tremendous inventive spirit of Canadians. Twenty million dollars is available to universities, environmental groups, industry, native groups and individuals to bring their good ideas to the production and marketing stages.

Environmental innovation is not particularly new to Canadians. Indeed, our green plan supports leaders in the environment. Our green plan supports that through further research and development, and industrial competitiveness in the environment technology sector.

It is my belief that the green plan's support of environmental innovation will help lead Canada into a greener and more prosperous future.

ORAL QUESTION PERIOD

[*Translation*]

AUDITOR GENERAL

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, we received the report of the Auditor General of Canada today.

[*English*]

I would like to put my question to the Minister of Finance, but in his absence, I will put it to whoever on that side answers, I guess the acting minister.

The Auditor General's report states that a substantial portion of the annual budgetary deficit is financed by borrowing from pension accounts. Eighteen per cent of the over-all debt, $71 billion, was borrowed in the last years at interest rates below market rates. The government has failed to examine the long-term implications of this practice. I want to ask the government why a study has not been made of this practice.

• (1420)

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, a great number of factors come into play when one adjusts the management of these funds from the pension funds. The hon. member knows very well that the way it is managed

now stems from legislation that came from this House. He knows also that we are reviewing the Public Service pension legislation, at which time we will look into that.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the government borrowed $71 billion from federal employee pension accounts to finance its deficit. The rates of return on these loans are lower than rates available on the open market. Some people claim that the pension accounts are at risk. Can the minister give the House the assurance that Public Service pension accounts are not at risk and that the government will review this practice, which is not allowed in the private sector? One cannot be sponsor, administrator and trustee. It is against the law. Will the government review this practice?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I think the hon. member will realize that the funds are quite safe, that there is a big difference between a government that cannot go out of business and the private sector, unless of course, that government happens to be the Liberal government which almost did this to Canada. However, in the case of pension fund management, the Auditor General did indicate that there was a difference between the rate of return on those funds and the rate that might have been obtained on the open market. That being said, there are many other factors, including joint management of the funds by the employees and the employer. These are all questions that are being reviewed at this time, as part of our public pension reform.

[*English*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, we do not know the long-term implications of borrowing from pension funds to service the budgetary deficit. There is nothing on the books that we can find to give us some solace at this point.

It is clear from the Auditor General's report that the rate of return of this investment is 1.5 to 2 per cent below market rates, that is the rates the private sector would get in terms of its borrowing. Will the minister assure us that the management of the debt will be improved, that this government will stop raiding public pension funds to finance its own mismanagement?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): I can assure the House that the government is not raiding the public pension fund. It is managing it as it has according to legislation passed by this House.

As I have said and will say again, this is going to be revisited as all other issues of management of the Public Service pension funds over the coming months.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, the Prime Minister's old crony, Peter Lesaux, the president of ACOA, said, and I quote: "Illiteracy and rotten weather, that is what is keeping companies out of Cape Breton".

Well, Mr. Speaker, it is not the rotten weather in Cape Breton that is keeping companies out. The Auditor General's report confirms in spades the incompetence of its president and ACOA's mismanagement.

What changes has the minister put in place to adequately monitor and control the action program contribution agreement so that companies like World Communications Network, based in California, will not be able to rip off the Canadian taxpayer?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, we all realize that this is just a generality that the hon. gentleman has put forward. There is no specificity, if I might use that word, to it. The totality of his specificities leaves much to be desired.

Some hon. members: Hear, hear.

Mr. Crosbie: With respect to ACOA, less than 5 per cent of the projects financed through the action program have been failures. ACOA is there to take risks, to take greater risks let us say than the ordinary commercial banks.

If what the hon. gentleman is proposing is that we apply the same standards and be just as careful as the ordinary commercial banks, we will make no loans in Atlantic Canada whatsoever.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, the hon. member knows quite well that the report of the Auditor General seriously indicts ACOA

for not adequately evaluating the economic benefit of a project before ACOA makes a financial contribution. That is there very clear for all to see.

What measures will the minister responsible for ACOA put in place to curb abuses like World Communications Network, thereby protecting the Canadian treasury and ensuring that moneys for regional economic development are spent efficiently and used in those areas where they are absolutely needed? What assurances will the minister give the House?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, if the hon. gentleman wanted to query me about some specific suggestion by the Auditor General, I could deal with it. I am sure there are some occasions mentioned in his audit where proper procedures were not followed or technical procedures were not followed. Of course, in the future we are going to see that they are followed insofar as human abilities permit. There is a slip up occasionally.

With respect to the firm the hon. gentleman is mentioning, I think that firm was located in Cape Breton. We all know that last year we had a study undertaken with reference to the Cape Breton situation and we are following the recommendations of that report of Mr. Braith. In Cape Breton, in particular, we are concentrating more on initiatives put forward by local people and we are much more careful with respect to those who come from outside suggesting that they have some miracle cures to offer for the economic progress of Cape Breton.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Acting Prime Minister. The Auditor General says that the government's plans for cleaning up abandoned toxic waste dumps were doomed to fail. The report says Environment Canada is not up to the task. They have neither the resources nor the staff to identify the sites and clean them up. Why does this important program lack funding? Why is this government putting the health and lives of Canadians at risk?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I think that what the Auditor General of Canada is saying is that the government intended to spend approximately $150 million on cleaning up abandoned sites, and the Auditor General challenges the accuracy of the information we have at this time and feels we have underestimated the work involved. I do not think the Auditor General is challenging the federal government's intentions to act on its responsibility in this area, a responsibility which it shares, I may add, with the provinces.

[*English*]

Hon. Audrey McLaughlin (Yukon): Clearly what the Auditor General was saying was that there may be the will, but there is certainly not enough money. If there is not the personnel, it just cannot be done and the minister must recognize that.

Today the Auditor General also stated that Revenue Canada Customs is not enforcing the Hazardous Products Act which is supposed to regulate the importation of toxic substances into this country, a very serious issue.

When the Auditor General was asked if this was law breaking, he said this morning: "You could draw that conclusion".

Could the minister explain the ongoing violation of the law concerning importation of toxic substances and could he explain why the health of Canadians is being put at risk every day by importing these unknown substances.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, as the hon. leader of the New Democratic Party probably knows, there is no evidence whatsoever that one bit of illegal or uncontrolled hazardous material has entered Canada in the last decade or so.

The hon. member also knows that since May 1989, we have enhanced fuel inspection and inspection of other toxic wastes and materials coming into Canada at the borders with random sampling, blitzes, increased inspection tests, fuel contamination examinations and the list goes on, with no evidence whatsoever that any dangerous hazardous material has entered Canada illegally.

On top of that, because of our concern we have gone ahead and signed a memorandum of understanding with the Department of the Environment where we work hand in hand in making sure that operations improve, not only on a yearly basis, but on a daily basis. We have put in new systems, new technology and new people. I

am satisfied that we are protecting Canada to the best of our abilities.

• (1430)

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the minister may be satisfied, but the Auditor General is not satisfied.

The Auditor General says that there is no evidence of Customs actions in enforcing the Hazardous Products Act and in fact a memorandum was sent out which instructs Customs inspectors to release shipments found to contain prohibited or restricted commodities subject to advising Consumer and Corporate Affairs, even though the importation of these products is clearly prohibited.

I would ask the minister to address that issue, because clearly the Auditor General does not agree there is no evidence that these substances are being imported, but quite the opposite.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I can again confirm to this House and to Canadians that after random samplings, blitzes and some 1,400 tests which have been taken at the border there is absolutely no evidence that a bit of toxic hazardous illegal material has entered Canada.

Mr. Fulton: You are not checking for it, Otto. No wonder you are not going to find it.

Mr. Jelinek: The hon. member is saying we are not checking for it. I pointed out that in one element only, toxic fuel and toxic waste, there were 1,400 checks. I would like to know from the New Democratic Party what other steps it would want us to take. We have increased the number of staff at the border. We have brought in new systems. We have brought in new technology.

Mr. Fulton: He says you are breaking the law.

Mr. Jelinek: We have a memorandum of understanding that has increased our opportunities to protect Canadians from dangerous waste coming into Canada. In the meantime we are continuing our efforts to improve wherever we can on this matter.

* * *

ACOA

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the minister responsible for DRIE. The minister said he wants specifics with respect to the Auditor General's report and I offer him one, a case singled out by the Auditor General from his own constituency.

The Auditor General reported today that just prior to the last election a door and window manufacturer in St. John's, Newfoundland received a $5.2 million non-repayable grant from ACOA just 30 days after its application was filed with the Atlantic Canada Opportunities Agency. The grant in question was made within a 30-day period, notwithstanding the fact that DRIE had raised serious questions about the company's operations and about the new company's effect on existing window manufacturers in St. John's.

My question to the minister responsible for ACOA is the following: Why were all the normal rules scuttled, during a pre-election period, in the minister's own backyard?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, on the one hand we have the member opposite suggesting ACOA is inefficient. On the other hand, we have another member getting up and suggesting there is tremendous efficiency in ACOA. Which is it?

As a matter of fact I was not the minister responsible for ACOA at the time of the last election.

Some hon. members: Oh, oh.

Mr. Crosbie: Apparently it took ACOA 210 days to review and approve this particular application, 210 days. If I had known about it, it would have been done one heck of a lot quicker than that, supposing that it met the criteria.

In addition, it was recommended for approval by the project review committee. There is a project review committee. That company is operating successfully with 50 full-time employees. The hon. member should be congratulating ACOA on the support it gave in this particular instance.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the minister's attempt at humour will not disguise the fact that during an election campaign after only 30 days a $5.2 million non-repayable gift-grant was given to a company in the minister's own backyard. It was given at a time when the rules provided for a grant of up to $20 million under a so-called fast program when today

the rule allows only for a loan of up to $500,000. Why the giveaways during an election and today only loans?

How is the minister of ACOA going to investigate the irregularities pointed out in the Auditor General's report in his own constituency? Where is the conflict of interests here and how can Canadians get an honest accounting for their tax dollars?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, we always very much enjoy the hon. gentleman's performances. I am sure we do on this occasion, but he is dealing with a company that has been successful and where the criticism of the Auditor General is technical in nature.

There was a change of ownership in connection with the application. A considerable period went by between the original application and the later application that was approved. There had been a change of ownership in the meantime which our officials thought strengthened the company. That was not brought to the minister's attention. This is the nature of the criticism of the Auditor General.

As I said earlier, it took ACOA 210 days to review and approve it. There was no rushing of this approval through. It has been a success and 50 persons in Newfoundland are now working who might not otherwise have been working. Why the criticism by the hon. gentleman opposite?

[*Translation*]

Mr. Paul Martin (LaSalle–Émard): Mr. Speaker, my question is for the Minister of the Environment. In his report last year, the Auditor General asked the government to develop ways for reporting to Parliament on how it was meeting its environmental responsibilities. A year later the result, to quote from the Auditor General's report tabled today, is:

> (–) No such clarification has yet been made.

In short, the minister has done nothing in a year. My question is: Why this disdain, this contempt for the Parliament of Canada?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I understand that the hon. member for LaSalle—Émard likes to get excited about such questions. I think that if he took a little time to analyse Canada's green plan, he would see that the government made a commitment in that plan to various environmental measuring and reporting mechanisms. We will indeed report to the Parliament of Canada in 1992. If he took the time to read the whole Auditor General's report, I am not sure, but I think that the Auditor General also admits that we will report to Parliament using that mechanism.

[*English*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, the Auditor General has specifically condemned this minister as a do-nothing minister. The previous Minister of the Environment promised achievement dates for the green plan. This minister backed off. The previous Minister of the Environment promised environmental assessment policy. This minister backed off.

Under this minister the department has been found guilty of blocking the legitimate requests of Canadians under the Access to Information Act, and now the Auditor General has said that under this minister the government is shirking its responsibility to Parliament.

My question is: Where does this minister get off with blocking the public's right to know?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I think that once Canadians get beyond the rhetoric and all the showmanship of the hon. member from Lasalle—Émard they will find that this government committed itself to a $3 billion green plan over six years. We proceeded to implement that green plan with due diligence.

We announced $100 million, for example, for the Fraser River initiative. We announced $100 million for an Arctic environment strategy under the green plan. We announced $100 million under forestry for development of sustainable forests. We announced $250 million for an initiative for sewage for native people. We announced $25 million for an initiative in drinking water for people. We announced $50 million for more research in the area of—

Some hon. members: More, more.

Mr. Charest: We announced $100 million for commercialization.

NATIVE HOUSING

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, the government's new native agenda promised to improve socio-economic conditions for aboriginal peoples in this country.

My question is therefore to the Minister of Indian Affairs and Northern Development. Today the Auditor General's report shows that his department knew that it had a backlog of over 10,000 housing units. It knew that 72 per cent of the housing stock did not even come up to code, and yet it still did nothing about it.

When is the minister of Indian affairs going to face up to the crisis in native housing in this country and do something positive about it?

[*Translation*]

Hon. Monique Landry (Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, my colleague should recognize that this government has made a very determined commitment, with a very specific agenda, to improving the condition of native communities.

We are developing a housing policy in consultation with native groups. My hon. colleague should admit that we develop those policies in close cooperation with the communities in order to improve the programs and make them more effective.

[*English*]

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I have a supplementary question.

Today's report of the Auditor General shows that reinstatements under Bill C-31 have been 50 per cent higher than the Department of Indian Affairs predicted in 1985. Aboriginal groups are saying: "We told you so".

Despite the assurance that no band would suffer from this sudden influx of native women and children, the department made no plans to house them properly. My question is very simple: Why not? Why have proper plans not been made to house these people?

[*Translation*]

Hon. Monique Landry (Minister for External Relations and Minister of State (Indian Affairs and Northern Development): Mr. Speaker, I think that my hon. colleague should recognize that annual investments of $120 million to $140 million do constitute real and specific commitments to providing housing assistance to native communities.

We are aware of the fact that more is required under Bill C-31. As a matter of fact, the policy is being reviewed. I must say that at present, funds made available to native people allow 3,000 new houses to be built each year, and the renovation of another 3,000 to 4,000 houses every year on top of that. I think those are very concrete and specific commitments.

As regards the problem with sewers and sanitary conditions these communities are faced with, very specific commitments were made on that too. As my colleague the Minister of the Environment mentioned earlier, we will be spending $250 million over the next six years on sewers and another 25 million on drinking water.

Mr. Speaker, these are firm commitments.

* * *

[*English*]

HALIFAX INTERNATIONAL AIRPORT

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Minister of Transport.

The Auditor General today indicates that the Department of Transport, the Minister of Transport and indeed the entire cabinet approved a 42-year lease for the construction of a hotel at Halifax International Airport without any evidence that the rooms were needed or that the developer had the financing in place to complete this project.

I ask the minister: if the money was not in place and the rooms were not needed, what exactly were the criteria used by the minister to advise his cabinet to approve this project?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I can assure the hon. member and all members of this

House that most of the risk has been borne by the lessee. My department did rely on the financial industry's risk assessment because it was this group, not the department, that invested the risk capital in the development.

I think at the time of the examination of this proposal that all matters were in good standing and we approved it because we thought it was a good investment for the region.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my supplementary question is for the same minister.

As a result of this government's bungling we now have a half-finished concrete bunker attached to Halifax International Airport.

My question to the minister is this: Is it now the government's intention to fund the completion of this hotel, or will it dip further into taxpayers' pockets to tear down this latest monument to the minister's cabinet's and his colleagues' incompetence?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the matter is now being examined first of all by the trustee and other financial interests.

We want this hotel to be completed, and as we get through the present proceedings we will make sure that this hotel is completed to the satisfaction of the customers in the area because we think that it is a good addition economically speaking for the region.

* * *

GOVERNMENT FUNDING

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is for the minister of industry.

Farmers and fishermen are asking for money and the government always says that it has no money. Can the minister give us an explanation of why his department gave $26 million out of the DIPP fund to companies that did not even ask for the money?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think the hon. minister who has been a minister of industry knows that there is a very vigorous requirement for companies to go through in getting access to those funds.

That program is a good program. It provides very good support for science and technology and for research and development, particularly in high-tech sectors that need this sort of financing. He knows perfectly well that there is a very rigorous set of approvals required in order to get access to those moneys.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is this: In his report published today, the Auditor General said that at the end of the year, the minister's department gave $28 million to firms which had not even asked for funding. Why is there money for the government's friends, when there is none for the farmers and fishermen of this country?

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, let me be quite clear to the hon. Leader of the Opposition. There are situations wherein the department discusses with the industry whether or not there should be an access to funds in one year or another in order to meet the requirements that both the industry and the government agree are to be met.

It is under those circumstances that this type of agreement is entered into.

* * *

[*Translation*]

TRADE

Mr. Phillip Edmonston (Chambly): Mr. Speaker, my question is directed to the Acting Prime Minister. Yesterday, the U.S. government announced that the preferential rate offered by Hydro-Québec to Norsk-Hydro constitutes an unfair subsidy. A countervailing duty of 33 per cent will be imposed on magnesium exports to the United States. My question is this: Is this government finally prepared to admit its free trade agreement gives us no protection against the protectionist policies of the United States? And does this government intend to forget about Quebec's interests, as it is now doing at GATT?

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, let me be very clear to the hon. member.

Under the free trade agreement either side can challenge the other side if they feel that there is a subsidy, as we have done on a number of occasions with the Americans and as they have done here.

We disagree that there is a subsidy in this. We are working with the province and with the industry to make sure that we put the strongest possible case forward. We also have challenged the American companies as to whether they have standing, whether they have a right to put the case forward as has been done, and we are challenging this under the GATT.

Finally let me say that under the rules of the free trade agreement—and let me remind my hon. friend that this is a preliminary determination—if the ultimate decision is something that we disagree with we have the right under the free trade agreement to take the matter to a bi-national panel dispute settlement mechanism in order to challenge that. That was not the case prior to the free trade agreement.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, obviously we are not getting the answer that the government knows is the real answer, that the free trade agreement is not working in Canada's interest. It has not worked in British Columbia with softwood lumber. It has not worked in Quebec. It is not working at all.

I would like the minister to respond exactly and definitely. What is he going to do? What is he going to tell the companies? We are not just talking about one company here but other companies, aluminium companies that can be faced with the same problem. Quebec and its development can be seriously handicapped.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, let me say to my friend that his bluster does not add anything to the understanding of people about that particular issue.

I have indicated very clearly that we are going to take the strongest possible position in working with the province and with the industry to make sure that our interests are upheld in this particular case. We are also challenging the matter under the GATT, whether the company has the legitimacy to put this case forward.

• (1450)

Finally, as I said, we have the right under the free trade agreement which we have not had before and which is not effective under the GATT, to take a matter to a dispute settlement mechanism panel to ensure that our rights are upheld.

ACOA

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister responsible for the Atlantic Canada Opportunities Agency.

The original ACOA mandate was for $1 billion, subsequently extended over seven years, to help achieve regional development in Atlantic Canada that would not otherwise occur without federal assistance.

I am led to understand that portions of these annual budgets are subject to lapsing of funds which are not expended by the end of the fiscal year, thus leading in some cases to unused ACOA money or, perhaps more often and more seriously, to excessive efforts at finding ways to spend the money before it lapses. Either way the concept of lapsing funds would seem to distort ACOA's purposes within artificial budget boundaries.

My question is this: Can a mechanism not be found to ensure that ACOA's funds do not lapse at budget year-end but rather are allowed to accumulate in the subsequent year for application to justifiable projects as they are created?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, we are going to have some lapsing members opposite when the next election comes.

Mr. Axworthy (Winnipeg South Centre)): Call the election right now.

Mr. Crosbie: Don't tempt me. With reference to the question of lapsing funds, ACOA's track record is actually quite good with respect to that. Every department has the problem of lapsing funds if they do not spend the moneys voted to them during the year. Of course they cannot always tell how much they will be spending. It depends upon the demand in the action program for loans and the like.

Of the $277 million allocated last year for grants and contributions, we cash managed those funds within less than $5 million. Only $5 million lapsed, which was less than 2 per cent. The hon. gentleman does not need to worry about ACOA. If we lapse any funds we will see that they are spent in Atlantic Canada in any event the following year.

HUMAN RIGHTS

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is for the Secretary of State for External Affairs.

A gross miscarriage of justice has occurred in Brazil and two Canadians are involved. On appeal, Christine Lamont and David Spencer have had their sentences increased to 28 years each for their alleged participation in a highly publicized Brazilian kidnapping, though much of the evidence points to their innocence.

The minister has refused to help these Canadians. This sentence is harsher than a murder sentence in Canada and the sentence is absolutely preposterous. When will the minister recognize the injustice of this case and take immediate steps to request their expulsion from Brazil?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, as I have pointed out before, the department and our consular services have been very active in assisting this couple in any way that they can. They have also monitored the whole legal process that has been used.

In my view the sentence is excessive and I am going to explore the ruling from the Court of Appeal in Brazil. When I have done that I will be happy to review whether there is anything further that can be done.

Having said that, let me remind the member that I have personally reviewed this case on two occasions. We are dealing with two mature adult Canadians. She is 31. He is 29. They have been found guilty of kidnapping, conspiracy and resisting arrest. Both entered Brazil on fraudulent Canadian passports. All the co-defendants received the same sentence, and they have not been tortured as some reports have alleged.

I have asked my officials to review the circumstances surrounding the sentencing, but those are the facts.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a supplementary question for the minister.

The minister has been making a lot of speeches about defending human rights abroad. I want to ask her: Is it not time to start defending the human rights of Canadians, of our own citizens?

Clearly under Brazilian law a foreign national does not have the same right as a Brazilian national to ask for an appeal or to ask for parole. Is that not a denial of the rights of Miss Lamont and Mr. Spencer?

I want to ask the minister: When is she going to take her fundamental responsibility to represent the interests of Canadians abroad and ask the Brazilian government for the right of expulsion, which is what the Brazilian judge said the minister should do?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, it strikes me that the hon. member takes to shouting when he knows he does not have a substantive case.

I have responded to the first question by saying that I think the sentence is a severe one and I intend to review the appeal. Surely that is my responsibility. That is what I plan to do, but that does not alter the fundamental facts of the case which include the fact that the other co-conspirators were given the same sentence.

* * *

[*Translation*]

IMMIGRATION

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is directed to the Minister of State (Employment and Immigration). Mr. Petar Zilic, a resident of Saint-Léonard who is originally from Croatia, was informed that his parents had been tortured and killed in the village of their birth, which has now been destroyed. Fearing for their lives, the rest of his family has fled, leaving behind important documents such as their passports and other identification. Could the minister introduce some exceptional measures to help Mr. Zilic, and others like him, bring their families who are living in terror to this country?

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, first of all, I would like to remind hon. members that our immigration procedures provide for certain

extraordinary measures, and that we respect people on an individual basis, with a constant focus on a humanitarian approach.

As for the specific case that was just described, I will submit your request to the responsible minister, and we will report back at the appropriate time.

[*English*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, in a telephone call to the office of the minister of immigration and yesterday afternoon to the Minister of State for Immigration, my office was told that without identification there would be little chance for Mr. Zilic to get his family to join him in Canada. This was also echoed to friends of his family by the Canadian embassy in Zagreb.

I ask again: Will the minister intervene and use his ministerial powers in order to help Mr. Zilic and others like him who are willing to sponsor their relatives to come to Canada to save their lives?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, at the risk of repeating myself, every case is dealt with individually under Canada's Immigration Act and we will do what is necessary to comply with our law.

* * *

[*English*]

CROATIA

Mr. Garth Turner (Halton—Peel): Mr. Speaker, yesterday the foreign minister told this House that Canada would commit troops to peacekeeping duties in Croatia. My constituents of Croatian descent very much appreciate that, but they also want Canada to recognize Croatian independence, just as we granted it this week to Ukraine.

My question is this: What criteria does Croatia have to meet in order to gain Canada's blessing as a sovereign state?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I appreciate the hon. member's ongoing interest in this matter. As I said before, there are a great many differences between the situation in Ukraine and the situation in Croatia.

The first thing we are looking for in Croatia and in other parts of Yugoslavia is an end to the violence within the context of a negotiated comprehensive settlement. This is the only way we see that this obscene violence can be brought to an end.

Second is the protection of minorities. Third is agreed borders. We will not recognize borders that are taken by force. Fourth is respect for human rights and other CSCE principles.

I should point out that when the referendums were taken in Croatia and Slovenia under the Brioni agreement, both republics agreed to a three month moratorium before asking for independence.

We are now in a situation where the key to independence is to ending the violence and to have all the parties negotiate in good faith. We have been urging them to do that for some months through every forum that is available to us.

* * *

ACOA

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is for the Minister responsible for ACOA.

The Auditor General's report identifies significant instances where ACOA officials failed to inform the minister of changes to proposals, changes to recommendations not to proceed with a project and advanced millions of dollars to companies that did not meet funding guidelines.

This is an incredible situation. I am asking the minister: Will he now admit that the agency is out of control and without direction? Will he indicate to the House what steps he intends to take to fix these obvious problems with ACOA?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the hon. member does not do this House or the country any service by such ridiculous general statements and accusations.

ACOA is not out of control. ACOA is dealing with hundreds and thousands of applications every year. In a few instances certain technical points have been missed by a project officer or whatever, none the cause of any

serious losses to ACOA. So I can only say the hon. gentleman is grossly exaggerating and doing a disservice.

• (1500)

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, perhaps the minister should read the Auditor General's report to see the extent of these problems.

These examples are cited by the Auditor General and they are the most recent in a long list of similar indications of criminal investigations by the RCMP and so on.

I want to ask the minister: How many more investigations and reports will it take before he acts to ensure that money goes to create jobs in Atlantic Canada other than jobs for the RCMP commercial crime squad or trustees in bankruptcy?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the hon. gentleman's party has never created one job in Atlantic Canada. It has never had the opportunity to, thank God, and it never will.

With respect to the question of criminal investigations, there have been criminal investigations in connection with several projects in Cape Breton that the House is familiar with. As a result of these events they had the whole situation in Cape Breton looked into by Anthony Braite.

An hon. member: Blame it on Cape Bretoners.

Mr. Crosbie: No, I am not going to blame it on Cape Bretoners because I think those—

Mr. Dingwall: Blame it on the president of ACOA.

Mr. Crosbie: No, no. I am not going to blame it on the president of ACOA, just because the hon. gentleman has some kind of a vendetta against a loyal enthusiastic and able public servant. I am certainly not.

* * *

DARYL BEAN

Mr. Doug Fee (Red Deer): Mr. Speaker, my question through you goes to the Minister responsible for the Status of Women.

The reported threats and written assaults on government employees by Daryl Bean exceed what I consider to be limits of acceptable decency. No one appears to be doing anything. Even though the reported attacks were against female employees, women's groups have been silent and the New Democratic Party has been silent.

I want to know if the Minister responsible for the Status of Women is also going to be silent and, if not, what is she going to do to protect these employees from the disgusting tactics by the president of PSAC?

Mr. Speaker: I am going to advise the hon. member that the whole subject of what was or was not said by the person in question was the subject of extensive debate this morning. The Chair is seized with it. I have already said in answer to a question some days ago that this may not even lie in the realm of the administration of government. I think we should leave it until I can deal with it.

* * *

THE CONSTITUTION

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, my question is for the Minister responsible for Constitutional Affairs.

It has been a week now since the hon. minister met the government Quebec caucus and then the government apparently in terms of the public domain changed its mind on the question of a referendum.

In view of some conflicting remarks made by the Minister of National Health and Welfare on Friday in Quebec City and by the Prime Minister over the weekend in a couple of speeches about a referendum, can the minister state clearly and unequivocally today in the House that the question or the issue of a referendum is still one of the options of the federal Government of Canada? If so, when can this House see the introduction of that legislation?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I sometimes think I have fewer disagreements in my caucus than the hon. member has in his.

I can certainly assure him that that option remains one of the means by which the government could carry out its obligation in the throne speech to provide a mechanism of consultation with Canadians. We have decided that no bill will be introduced into the House before Christmas.

We have not yet decided upon a timetable for the introduction of such legislation as we might propose.

What we are looking for is a means that will give Canadians that opportunity in a way that will be entirely constructive in achieving consensus in the country on constitutional change.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 1991

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C–20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, be read the third time and passed; and on the amendment of Mr. Walker (p. 5662).

The Acting Speaker (Mr. DeBlois): Resuming debate.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am delighted to stand in the House and address the whole question of Bill C–20.

I will attempt to show that it is a brutal and insensitive piece of legislation. It is divisive.

[*Translation*]

I would go even further. It is tearing the country apart. It is misleading. It is inadequate legislation. It simply will not work. It will never ever be accepted.

[*English*]

Before I get into those particular details to prove those particular points, I just want to summarize very quickly the contents of the bill to remind viewers and my colleagues that it deals with the capping and the freezing of transfers to provinces in health, education, social assistance in terms of three provinces and increases to the unemployment insurance premiums as well as to the freezing of the Public Utilities Income Tax Transfer Act. Those revenues would normally go to the provinces.

I also want to make the next point which I think is very important. We are talking about $36 billion in transfers if one looks at cash and tax points. That is a great deal of money. It is an amount of money that our provinces and our territories really need in order to carry on everyday life in terms of government and in order to ensure that Canadian citizens, wherever they happen to live, get the kinds of programs to which they are entitled.

They are talking about $24 billion in cash, $12 billion in tax transfer points and we are talking with respect to Established Programs Financing, that is funding for health and education in the neighbourhood of $20 billion. With respect to equalization, it is approximately $8 billion and with regard to Canada Assistance, it is about $6 billion, that is the social assistance programs. Of course, there are other categories that may amount to close to $3 billion. As I indicated previously, it is a lot of money.

I started by saying that this was not appropriate legislation at this particular point in time. One would expect that from a member of the opposition, but let me share with you some statements that have been made by others.

There is a press release from the Government of Canada, the National Council of Welfare, entitled "Cash payments for medicare and higher education in jeopardy". I did not say that. The National Council of Welfare and the Government of Canada said that.

I have another communique. This time, it is from the Canada Council on Social Development. What does it say? "Federal budget may destroy Canada's social system". This was said by the Canada Council on Social Development.

Here is yet another in a *Citizen* article, a recent one: "Group's fear of breakdown of national programs". There is a journalist who is looking at it after having talked to people, after having studied this situation, and that is the judgment that is rendered.

I will refer, finally, to one more article from *The Globe and Mail* dated November 28, 1991. It is entitled *Plan to preserve medicare risky under law MPs are told*. What has happened here? Basically, the government has noticed that it will no longer be transferring dollars, that is cash, to provinces for health and education, particularly for health.

What it has done is within that particular bill it has a section that intends to withhold other kinds of payments in the event that the provinces do not respond to the standards that are expected of the federal government.

What kinds of hold-outs could there be? What kinds of demands might there be? The federal government might attack the equalization payments which are in the neighbourhood of $8.4 billion. It might go to territorial financing which is in excess of $1 billion. It might attack grants in lieu of taxes to provincial and municipal governments by the federal government. These amount to $344 million. They could in fact if they chose go to public utilities, income tax, transfer payments, and that represents $260 million, or statutory subsidies to the oldest kind of transfer payment in the neighbourhood of $36 million. The government could in fact attack the Canada Assistance Plan, over $6 billion, or the crop insurance program, $297 million. I think it is $207 million in the current year.

• (1510)

These are the kinds of programs that the government could hold back payments on and here are some others. The government could in fact go to the official languages and education program where there was $243 million that was given to provinces last year, or miscellaneous health and welfare which amounted to $170 million, or the young offenders' services for $158 million, or justice transfers for $77 million, and finally transfers in the domain of transportation for $69 million.

This is what this bill could in fact lead the government to do. That is if the provinces were not to use the funds that they get, the tax transfer points that they get, in the way the federal government wanted them to do so.

Therefore we have students, young offenders, farmers, business people, women, and many many others who could in fact be penalized as a result of a provincial government's inability or unwillingness to respond to the criteria and the standards that are set by the federal government with regard to the utilization of health care funds.

I started off by saying that I considered this particular bill, C-20, to be brutal and insensitive. Why did I say that? I think it ignores the realities of today. I have spoken before as have many of my colleagues about the poor in this nation, over 5 million at this very moment who are living at or below the level of poverty, most of whom are women, and many of whom are senior citizens, and over 1 million of whom are children. I talked about the people receiving social assistance, 2 million as we speak right now, about the people who would be fed *par des banques alimentaires*, 1.8 million people this year in Canada, almost 1.5 million people who in fact are receiving unemployment insurance. The list goes on and on and on.

Why brutal and insensitive? Because which of those particular people in those groups will be receiving any particular assistance from this kind of legislation? Not one single one.

What else will happen? The contributing provinces, provinces such as Ontario, British Columbia, and Alberta, which contribute funds to the rest of Canada in order to even out the unevenness in terms of wealth so that other Canadians can receive basic services and health, education, social assistance, and what have you so that the quality of life is more or less the same, are suffering too. They are suffering too. Yet they have been capped with respect to social assistance expenditures.

How does that make them feel? On the one hand they have paid off huge sums of money. On the other hand they are being capped additionally. The resentment is growing not only in these provinces but it is creating two classes of people, that class which contributes, the class which receives, and there is growing tension and conflict. As well it is leading to the small and those who are weaker economically becoming even weaker, that is they are not able to offer the essentials of the quality of life.

There will be additional suffering.

[*Translation*]

Unfortunately, this bill does absolutely nothing for these people, whether we are talking about the poor, people who get their food from food banks, the unemployed or people on welfare.

[*English*]

I also said that this particular bill was divisive. Yes, it is. It is increasingly so because some of our wealthier provinces are able to spend more in spite of the fact that they are having difficult times, for example in their hospitals or their post-secondary educational institutions, so we are establishing different classes of colleges and universities. How would you feel, Mr. Speaker, how would we all feel if our particular universities and

colleges in our provinces could not offer the same kinds of quality programs that are offered elsewhere.

There is province against province, university against university, college against college, region against region, and I have already indicated that Ontario, B.C., and Alberta sometimes feel as if they are against the rest of Canada.

[*Translation*]

I think it is too bad we are seeing region against region, that some institutions are being neglected by the federal government in terms of funding and are no longer able to provide the services they want to provide, such as health care, education and social assistance. We are creating one class of people who are more or less well off and another class of people who are definitely not well off, and I think the gap between the two is growing at an alarming rate.

[*English*]

I also said initially that this particular bill was misleading. Why did I say it was misleading? There is a very strong suggestion on the part of government that it is being done to control the deficit and the debt. We heard it again today. We know that the deficit is in the neighbourhood of $30 billion. No one is happy about that. We know that the debt is in excess of $400 billion. Certainly we are saddened by that. What is really extremely offensive is that the government suggests that it is at that particular height size, call it what you will, level, because of the deficit and the debt that it inherited from the previous administration.

I am sorry, that is not true. I have a signed letter from the former Minister of Finance, the Minister for International Trade, indicating that the debt in the year in which the government took over power was less than $168 billion. Factor in the interest rates since then and there is no way that it built up to $400 billion. I have done it, I have had others do it. I guess it is a kind of misleading statement, that effort to try to lay the blame on others rather than to say: "Look, we have made some mistakes, here are some of them, here is what we are trying to do in order to correct them".

It is misleading because what will this particular bill do? What have previous cuts done to reduce the deficit and the debt? Canadians see no evidence of it. They have had well over 30 tax increases, including the hated goods and services tax. They are paying more than ever before. The middle class is being bludgeoned, the poor are even poorer, and those at the top of the salary scale are getting away with more and more. People out there are saying: When is it going to stop?

They would not be nearly as offended if they could see progress being made, if they could see the deficit being lowered, the debt being lowered, if they could see their jobs being secure, their future in terms of pensions being realized—now they worry as to whether or not they will ever be able to get them—see their sons and daughters with opportunities for a good education, for a meaningful job where they will be able to develop their total talent and contribute fully to this country, indeed the whole world. Then they would be less alarmed, then they would be less offended.

[*Translation*]

Unfortunately, this bill does too little. It gives every indication that it will do something to reduce the deficit and the debt but, unfortunately, that is not the case. There is no evidence to support that claim. If we look at all the increases we have had since 1984—and I believe it was 34—we have not made any headway. We have slipped back. Take, for instance, the debt as a percentage of the Gross National Product. This ratio has changed drastically since 1984. There has been negative growth, which does nothing for us, for Parliament, for government or the country.

[*English*]

My final point when I first introduced the bill in order to address it was it will not work. Why will it not work? Already we know it is being contested, and that is a very poor start for any piece of legislation. We know that it will create further animosity. I pointed out that the provinces are being capped, they are not happy because they are suffering. Look at the province of Ontario, the number of bankruptcies, the number of unemployed, the number of people on social assistance, and somehow this capping suggests to Ontario, to B.C. or to Alberta that they have it good.

They do not have it good. They are having serious difficulties, as is the rest of Canada. What will happen? There will be additional intolerance, animosity and anger that will be generated as a result of this particular

treatment. What will our young people say when they know full well that there will be no more dollars for health as their parents get older or for themselves as they reach the age when they need more medical care? As they want to go on to college and university, they see that the opportunities are slipping for an education or jobs or for a meaningful future. How will they respond? How could they possibly contribute fully?

• (1520)

Surely we all sense the great disappointment not only in this piece of legislation but in many other decisions that have been taken which limit the quality of life for our citizens throughout Canada whether we speak of health care, education, social assistance or a number of other areas.

[*Translation*]

As I said when I started my speech, I wish I were wrong. I wish I were wrong about my predictions that this bill will not work, will not produce the results it was intended to produce, at least the ones the government said it was intended to produce, in other words, reduce the deficit and the debt and try and establish a much sounder system than the one we have today, in order to put our economy on a sound footing, so that we can establish those social programs that respond to the needs of Canadians. Unfortunately, that is not the case.

In concluding, Mr. Speaker, I simply wish to repeat that I think it is too bad that this bill does not address the real problems of Canadians today. I find this bill harsh and insensitive, even improper; it will foster more division. It offers too little and it will not work at all. It tries to give the impression that cuts will improve Canadians' economic situation, although that is not so.

I will complete my speech with one remark. We heard it in the House of Commons yesterday, and in the *Citizen* today, there is an article which says:

[*English*]

"Tighten Belts, MP Tells Premiers". I suppose that one of the more offensive things that the government has done is to suggest that it has been controlling the expenditures of the federal government when we all know that it has been putting them off on the backs of the provinces and the territories and every single man and woman who is paying taxes.

I said it before and I want to say it again. It is very easy to control one's expenses when you give them to someone else. I have debts and if I were able to walk around and share them with my colleagues here in the House I would walk out of the House debt free. I expect I would get some resistance by the way. But that is what has happened.

The government says it has controlled the expenditures in the neighbourhood of 3 per cent. That is no wonder. It has given all of its expenses to the provincial governments and then on to the hospitals, the universities, the colleges and then to the students and the patients and what have you.

I see this kind of statement: "Tighten Belts, MP Tells Premiers" as misleading. That is the kindest word that comes to mind and I could think of others that are much less kind. It does not tell the whole truth. I think it is part of the malaise that exists in our country today and that is why the citizen out there is less than confident about political parties and politicians. That is why the citizen out there really wants a fundamental change, a change which will lead to fierce debate about the ideas and the issues. I am sure Canadians throughout the nation welcome that. They also want accurate information so that they can make the judgments as to who is right and who is wrong.

I rest my case. I say that Bill C–20 is regressive. It will not fulfil the objectives that the government stated or left unstated. It will not curb the deficit or the debt. It will disappoint a lot of people: the poor, the unemployed, the people who have to go to food banks, those who are on social assistance, and all of those other Canadians who are dependent or will be dependent upon medical treatment. It will also disappoint those who will want an education, a better job and a retirement with some dignity.

[*Translation*]

I would be so pleased if the government would consider the points made by my colleagues and me with a view to changing some aspects of the bill and maybe government policy as well.

[*English*]

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I wish to congratulate my colleague for St. Boniface on an excellent presentation. I would like to build on what my colleague was discussing.

The reason why Bill C–20 was introduced was to allow the government to deal with its budget of February 26, 1991. I would like to talk about one segment of that particular budget. It deals with the transfer payments to the provinces in the area of post–secondary education.

If the government follows its plan there will be no transfer payments to the provinces in both health care and post–secondary education by the year 2004.

This is very alarming. In a way it is in contradiction with what the government is presently talking about in its constitutional proposals, in particular the proposals that deal with learning and our ability to compete internationally.

It is unfair for the federal government on one hand to talk about the importance of education and on the other hand cut transfer payments. The provinces on their own as well as the municipalities and the school boards cannot carry on with the existing workload without some federal government support.

There has been a cut of $485 million from the 1991 educational budget. When you look at the federal government training and educational contributions it has dropped by 4.6 per cent. Compare that with the amount of increase in government spending which is in the amount of 4.3 per cent. On one hand you have the spending in certain areas having been increased while on the other hand when it comes to education and spending on learning and training, it has decreased.

Between 1984 and 1986 the federal government slashed approximately $9.5 billion in transfer payments to the provinces. As we move forward there seems to be less and less commitment by the federal government toward education and the provinces.

While there has been a decrease in funding for education, we see the student costs have been on the rise. Looking at post–secondary education, Statistic Canada reports that in the province of Ontario alone the tuition fees have increased by approximately 53.5 per cent between 1983–84 and 1990–91. Where there has been an increase in tuition fees and costs of education there has been a decrease in federal contributions toward post–secondary education.

Consider the cost of student accommodation across Canada. In my riding alone the cost of residence fees has increased between 40.6 and 176 per cent since 1984–85. For example, six years ago a room in residence at one of the two universities used to rent for somewhere between $1,127 and $1,326 a year. Now they are rented at a cost of approximately $1,600 to $3,600. My colleague from Newfoundland says "incredible".

• (1530)

On top of the cost of living increases, the federal government has introduced a 3 per cent tax on student loans and applied the GST to books. This has added at least a few hundred dollars to many students' financial burden and has hit hardest those of middle or low income.

The government has decreased its funding to education, and that is extremely clear in Bill C–20 with its implications. You must look at the area of research and development, for example, and what the government said in 1984 and what has happened since then. In 1984 the government made a commitment to double the percentage of the gross domestic product spent on research and development. But what has happened, in fact, is the amount of money spent on research and development has decreased from 1.42 per cent in 1985 to 1.36 per cent in 1990.

So that tells us as we move into the 20th century that the federal government is investing less and less in the area of research and development and education.

We are going to be faced with an alarming situation over the next few years. By the year 2030, one in every four Canadians will be a senior citizen, compared to one in every ten now. By the end of the century, senior citizens will represent approximately 13 per cent of the population and youth will represent about 9.4 per cent. The reason why I say this is because I want you to know that our tax base is shrinking as a result of the fact that we have a lot less people now who are paying taxes than we used to have in the past and we will have even less in the future than we have right now.

Because of this shrinkage in the tax base, we are going to see more pressure on the infrastructures such as our health care system and our social welfare system. Those seniors will need more care and assistance. As a result of

that the government will have to look at ways to generate more revenue.

In my view, one way is to invest in the areas of education and research and development, rather than cutting down. I will elaborate on that by mentioning only the question of productivity in Canada.

If we look at the productivity of Canada's work force, we find that it has lagged behind the other economically advanced countries. A high percentage of our work force, as you know, is illiterate to some degree and unable to cope with new technology. The problem is especially serious in light of the current shift in world trade. Resource commodities, which are Canada's economic mainstay, are being replaced by information and knowledge-intensive goods.

Speaking again about productivity in terms of our work force, we compare Canada's productivity growth with that of the G-7 countries. We score very miserably in key sector of international competitiveness. For example, in 1990 Canada ranked well below the middle among 23 countries surveyed by the World Economic Forum. The forum looked at factors such as international orientation, managerial initiative and the quantity of skilled labour.

International comparisons in general have shown that we are investing enough to remain competitive as long as the skills our students learn are relevant. Obviously, that investment is not giving us the return that we are expecting from it.

The reason I say that is because nearly 40 per cent of the Canadian population has difficulty reading, writing and doing basic math tasks. In comparison, Japan's rate of illiteracy has been estimated to be less than 1 per cent, in West Germany it is less than 4 per cent and in the United Kingdom it is less than 6 per cent.

Obviously we have a situation where national attention is required if we are to really deal with the questions of productivity, reducing the deficit and competing internationally.

That supports the fact that the federal government should not be making cuts in the areas of research and development, training and education; it should be investing in them.

A 1990 study released by the Conference Board of Canada has found that illiteracy hinders companies from bringing in new technology, such as computer or high-tech equipment. That study found—and my colleague from Broadview—Greenwood is carefully listening to this as the critic for small business—that almost one-third of the 626 companies surveyed said that illiteracy had significantly slowed down work or caused quality control problems because workers could not understand instructions.

Also, the Canadian Business Task Force on Illiteracy estimates that the cost to our Canadian society is approximately $10 billion a year and the cost to business itself is approximately $4 billion a year. The government is really barking up the wrong tree.

We are cutting back in areas which in my view we should be investing in more. We are cutting back in those areas thinking that we will reduce and control the deficit. That is similar to someone who might, as I said many times before, sell the furniture in order to pay the rent. The other way should be true. The government should set up a fairly aggressive strategy in terms of investing and call it investment. Do not call it expenditure because it is not an expenditure. Call it an investment and move on.

There are other areas where the government is not investing. Those areas are adult training and education, as I mentioned before, but also I want to just mention the question of training. The government seems to be talking about it quite a bit lately.

There is an alarming situation where the average Canadian worker participated in 6.7 hours of formal training in 1988. By contrast an Australian worker received 17 hours, a Swede received 170 hours, and a Japanese 200 hours annually in terms of training. We should compare ourselves to other countries around the world in the area of investment in training. This is a shocking figure where the government is not investing in the training of the work force.

That very same work force is going to move us into the next century and help us to be competitive internationally. It is going to provide the taxes and the revenues that our government will need in order to support our needy population.

Also, it is really interesting that only one-third of Canadian companies provide any training to employees at all. Of course they cannot provide enough training to

employees because there is not enough investment on the part of the government. There are not enough incentives on the part of the government. There is not enough involvement on the part of the government in the area of training. Yes, there are certain programs out there, but those programs are not doing enough. Those programs are not doing the job.

• (1540)

In the Conference Board survey, 75 per cent of companies reported basic problems with literacy. The government will invest some money in the area of literacy over the next five years and some of my colleagues mentioned that the amount of money that is spent literally comes to a few dollars per illiterate. That certainly is not enough investment in the area of illiteracy.

What we have to do is invest more in the area of education and not less. Look for instance at what we spend on adult training or teaching. We spend approximately $5 billion and that is roughly about one-eighth of the amount invested in formal education. But when we are facing other countries, we see that they are increasing their investment on an annual basis, not reducing it.

For example, Germany has increased its expenditures on training by 45 per cent in the last three years. Germany has acknowledged that to move into the 21st century, it has to do something really drastic. It has acknowledged that the international barriers to world trade have been removed. It has acknowledged that the number one country in the world will be the one that deals with the question of education aggressively, that treats education as a priority, and treats training as a priority, so it is investing more.

Japan for example is also increasing its spending on an annual basis at an incredible rate. I do not have the figures, but I presume they are doing more there than we are here in Canada.

Look at this and compare it to what our experts in our government are telling us. I want to look at just the Department of Employment and Immigration that rightly predicts that many of the low-skill jobs in the next century will simply disappear. We will not have any more jobs that an unskilled individual can do. The reasons for that are automation, globalization of trade, and the growing importance of the service sector, which is just beginning. There is a shift and we are losing a lot of our industry that used to use primitive technology. They are simply disappearing off the map and are replaced with industry that is using high-tech equipment. But when you use high-tech equipment you need more or less high-tech employees to be able to work on that equipment and read the instructions.

Obviously, with the quality of workers that we have now they cannot do it on their own. They need the support of the government. They need investment on the part of the government so they can catch up and move on into the next century, fully equipped with the knowledge that they need.

The reason I brought those figures to your attention is to tell you that Bill C-20 in a way does put a cap on and gives the wrong signal, not to the provinces or the universities or the municipalities, but to society as a whole. We are telling society that we have a difficult situation here. We do not have the money and we are not going to do anything about it.

In my view, that is the wrong approach.

Even if we have to mortgage the House of Commons, the government should do it in order to invest in areas such as education, training and combating illiteracy. That mortgage will be removed fairly soon and we will have not only a House of Commons mortgage-free, but also a society that is fully equipped to move into the 21st century and compete not only in North America but all around the world. We could move Canada from where we are right now into the leading edge.

I want to leave with one single statement, said by Lewis Perleman of the Hudson Institute. He wrote in the December 1990 edition of *Business Week*, and I quote: "Because knowledge is the steel of the post industrial economy, this—".

The Acting Speaker (Mr. DeBlois): Your time is over.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I want to congratulate my hon. friend for Ottawa Centre for a very wide ranging speech in the areas of health and education, particularly in education. It was an exposé of some of the things that this Bill C-20 will do. I think the essence of his message is that it is very

short-sighted when we on the one hand are doing this and on the other hand are producing reports that say we are not competitive because we are not educating people properly, particularly when we are dealing with countries like Japan and Germany. If there is any message that has been a resounding, repetitive and reinforced message, and I have listened to the most of the presentations in this House, it is really along those lines.

Not to be lost in the seriousness of what the hon. member for Ottawa Centre brings out, I just want to bring to the attention of the House that there are 14 or 15 payments that are going to be cut out of provinces. It is the payment for medicare as well as post-secondary education that concerns me as a member for Newfoundland. It is horrible to read a report called *Funding Health and Higher Education, Danger Looming*. I have part of this report here. It says that within a few years, unless new fiscal arrangements are made, the provinces and the territories will run out of money for health and education.

That is frightening. I will give some idea of what is involved here. When this government started to cut the EPF back in 1986 it was fairly modest. It was $100 million for that year. If we follow the trend that is now taking place, it will reach $16 billion by the end of the century. The cumulative loss to the provinces at that time will be almost $100 billion.

Let me tell you what the report says. The figures are startling. I see the minister of health will be listening to this as well.

They project that the federal cash payments to Quebec will be gone by 1996. That is only a few years from now. Cash payments to Ontario will end by fiscal year 2002. The last federal cash payment to any province or territory, having stopped with Newfoundland, Nova Scotia, Prince Edward Island, New Brunswick and all the other provinces, will take place to the Yukon territories in fiscal year 2008 and 2009.

I think that is unacceptable. I see a lot of members on both sides of the House shaking their heads. They cannot believe it. People who are watching these presentations go back to when this budget was introduced in February and are saying: "Is this coming back to haunt us?" This is the bill that will make that budget law. I think many of us, if not most of us on this side of the House are going to oppose it and we are giving our signals right now to that extent.

Mr. Harb: Mr. Speaker, not only do I agree with my colleague's intervention 100 per cent, but I would just like to bring to the attention of the House that the national health care act is one of the finest initiatives that we have embarked on in the past 20 or 30 years.

When the national health care act was introduced it was well thought out. It is still one of the finest acts to be found anywhere in the world. Even in the United States they are looking at our model for health care and they are trying to adopt it.

It is really amazing when we see that there are people in our society now who are trying to move away from it.

An hon. member: They are trying to destroy it.

Mr. Harb: They are trying to destroy it, thinking that by abandoning the existing health care system we are doing someone a favour. In reality, by abandoning the infrastructure we put into place 20 years ago we are not serving the best interest of Canadians. We have to maintain our health care system. We have to build on the strengths of the health care system and not detract from it and obviously the government budget does just that.

• (1550)

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, the member for Ottawa Centre has made a very important point today on productivity.

There is absolutely no way we can create a labour force in this country which will ultimately produce the wealth that is going to be required to meet the future deficit and debt challenges that face this country.

I think the hon. member for Ottawa Centre has made the point quite clearly that the government is not reflecting and analysing this issue closely enough. If we create a motivated, productive, skilled labour force then we will have the capacity to face the deficit and debt that face this nation.

Time after time when the hon. member for Ottawa Centre stands in this House he repeats the point on illiteracy that must be challenged in this country and that more money has to be put into education and training. My question to my colleague is: What are we going to do in order to communicate or to rattle the thought process of this government to consider other options or other

approaches than the one it is currently on which is obviously not working?

Mr. Harb: Mr. Speaker, I want to thank my colleague from Broadview—Greenwood for his excellent intervention.

As our leader mentioned at the Aylmer conference, the answer to that is to set up a national education standard. That is one way to deal with the problem, and in my view it is the only way we can deal with the problem.

My colleague mentioned the question of training. Obviously his question was well thought out. I am at a loss. We are at the point where we have a deficiency when it comes to our work force. Why is the federal government in its constitutional proposal talking about passing on the question of training to the provinces without any sort of a standard for training, without entertaining the possibility of a standard for training all across the country. It would remove any kind of a disparity. If somebody is receiving training in Newfoundland or if somebody is receiving training in another part of the country, they will both receive the same type of training without the difficulties they might be faced with in the different parts of the country.

In answer to the question, I too am at a loss in terms of the government's rationale when it comes to dealing with the question of training, with the question of reducing the deficit, and with the question of improving productivity.

I want to thank my colleague from Broadview—Greenwood, the small business critic who always raises the same question over and over again, that we have to set up a strategy. I think I would like to join with him in saying that maybe it is time for the government to start listening.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, Bill C–20 is not the first time that this government has participated in further cutbacks to the provinces for health and post–secondary funding, but in dealing with this bill we see clearly the philosophical gap between this government and most Canadians. We see a gap which most Canadians would urge the government to close. We see a situation that indicates that the government is clearly not in step with the wishes, desires and aspirations of other Canadians.

In Canada we have something which separates us from many other countries. It particularly separates us from the United States. We have joint federal and provincial fundings and commitments to health care, to post–secondary education, to our social safety net, and to our unemployment insurance program among others.

In other words we have a sort of social contract across Canada. Canadians expect and anticipate that their governments, provincial or federal, will participate in health care, will participate in post–secondary education and will participate in the social safety net. They will not only participate in those programs, but they will work to enhance them and improve them, not work to undermine them.

What we have seen across this country are provincial Liberal and Conservative governments that have undermined those programs, that have cut funding to health care, education and social assistance. We have seen a federal government which has consistently since 1984 undermined those very programs which are so important to most Canadians.

These programs, the federal and provincial support programs for health care, post–secondary education and for our social safety net, are important to Canadians because they make important statements about what sort of country Canada is and about who we are as Canadians.

They say that Canada as a country cares about its citizens when times are tough. It cares about its citizens when they are sick. It encourages and helps its citizens to obtain the highest level of education possible so that they can go on to make a valuable contribution to society.

The programs that Bill C–20 undermines are programs which are very important to Canadians.

In addition to cutting funding to the provinces for health care and education, this bill also increases the costs to employees and employers of the unemployment insurance fund, a fund which is designed to protect Canadians when they lose their jobs through no fault of their own and need some assistance in order to survive through the period before they get their next job, hopefully. It would provide them with the assistance to feed their families and keep their homes together.

The undermining of the commitment by the federal government to the unemployment insurance fund, cutting back on its funding, making it more difficult for Canadians to obtain unemployment insurance and forcing Canadians to have that protection for a shorter period of time, all those things are as a result of reductions in the federal government's commitment to unemployment insurance and have hurt ordinary Canadians severely.

When Bill C-20 was in committee, all the witnesses who came before the committee told the committee that this was a bill that would hurt ordinary Canadians. It would hurt our health care system. It would hurt our post-secondary education system and it would hurt Canadians who would be in need of unemployment insurance from time to time. Every group pointed out that this could be another nail in the coffin of medicare in this country. The freezing of contributions to the provinces for yet more years, the underfunding which has already taken place, the deterioration of our health care system which is already clear across the country to anyone who wants to go and see it, and the longer line-ups for surgery for health care, all these things will be made worse as a result of Bill C-20. All the witnesses who came before the committee advised the committee of that.

Those groups that came as witnesses were those who were closest to the issues, those who worked in the health care system or those who worked in the education system. They were those who worked on a daily basis with Canadians in sickness and in circumstances of poverty and unemployment. These groups understand those problems and understand how hard it is for so many Canadians to feed their families and to make ends meet. They who knew advised the committee to scrap Bill C-20, advised the government to scrap Bill C-20, and called upon the government to enhance its commitment to these very important social programs which separate Canada from our neighbour to the south.

• (1600)

Why did these groups point out the problems of these further cuts? It is not just because they do not understand the deficit. They clearly do understand the deficit. We all understand the extent to which the financial resources of the country are strained. But the critics of Bill C-20, those who want to keep our health care system as good as it possibly can be and to enhance our post-secondary education system, want the system to be as good as it can be because they see it as the only way to have the country go forward.

In these days when the government is continuing to tell us how important it is to be productive and how important it is to be competitive in a world economy, we cannot in the same breath cut funding to post-secondary education. It makes no sense on the one hand to argue for us to be competitive and on the other hand to take away the tools which will enable us to be competitive.

Cutting funding to the provinces for post-secondary education is cutting back on our ability to compete in the future, cutting back on our ability to survive in the future and cutting back on the opportunity for Canadians to participate in the economy in as effective a way as they possibly can. By cutting back on funding to post-secondary education we undermine the very tool which can enable us to pay off the deficit, to pay off the debt, to get the country moving again.

The better educated Canadians are, the more likely they are to be working. By cutting back on post-secondary education we ensure that many more will be unemployed. It is a backward way of trying to deal with this particular problem.

What about health care? It comes back to health care. Canadians know that if they are sick they do not lose everything. They have security. Their health care will be looked after no matter how serious the problem is. They will not suffer some financial catastrophe as a result of becoming sick.

By speeding up the time at which cash from the federal government to the provincial governments will be cut back, will be ended, by speeding up the process of the ending of cash transfers to the provinces, this government takes away from itself an opportunity to ensure that the health care system can be as good as it can be. It takes away the opportunity to punish the provinces if they do not provide a comprehensive, universally available, portable and publicly administered health care system.

It will undermine the ability to maintain the quality and accessibility of our health care system the more the

government cuts back on funding. Bill C–20 has important implications. Extending the ceiling on contributions from the federal government to the provinces for health care has important implications to the equality and accessibility of our health care system.

In addition, as I mentioned we have in this particular bill added costs to employees and employers as a result of changes to the unemployment insurance program. We have already seen the program being more difficult to enter. Those Canadians who are out of work are finding it more difficult to claim unemployment insurance. They cannot claim it for as long. Now we are seeing in this bill that they are going to have to pay more for the privilege; not only workers but businesses too. The implication for businesses are serious in this time of deep recession. It is not a time to add to the costs of running a small business in Canada by forcing those businesses to pay more for the unemployment insurance program.

We have all these program cuts which will in the end, as we have seen already because the program cuts have been in place for some time and we have seen the implications of those programs, continue to make it more difficult for Canada to pull out of the economic mess it is in. One of the arguments the government uses is that the provincial governments are in a better financial situation than the federal government and so they should share the burden of the federal deficit. In the five years leading up to 1994–95, Saskatchewan will as a result of this bill lose $348 million.

In Saskatchewan, as you know, the change of government took place a month ago and the new NDP government has been investigating the finances of the former Conservative government, a government which followed the same economic policies as this federal government has been pursuing. The debt in Saskatchewan—and of course they are still adding it up because it is not always so easy to find— is now in excess of $13 billion in a province of less than one million people because of the mismanagement and the misguided policies of the previous Conservative government. We have record farm, business and personal bankruptcies; 80,000 people, almost 10 per cent of the population of the province, left Saskatchewan since 1982; and yet on top of all of these problems, on top of all of these record difficulties, the federal government is deciding to cut back further on funding to Saskatchewan, to cut back $348 million over the next five years for health care and post–secondary education alone. What is the point of attacking Saskatchewan citizens, Saskatchewan people who may become sick, Saskatchewan students? What is the point in attacking them further when already, as I said, they are suffering from record farm, business and personal bankruptcies and people are leaving the province at record rates?

All this will do is make the situation worse, make the situation harder for those Canadians who live in Saskatchewan. Of course, Saskatchewan is merely a reflection of the other provinces. They are all being made to suffer. The residents of the provinces are being made to suffer as a result of this government's commitment to pay off the deficit on the backs of ordinary Canadians.

Of course, we should not let the record before this government go unnoticed. We have heard and we will continue to hear many speeches from the Official Opposition about how severe these cuts are, how they undermine the ability of the country to function and to pull out of this recession. But just a few short years ago, the last decade, Liberal governments did exactly the same thing, from 1975 when a ceiling was put on federal contributions to medicare with the introduction of block funding and the end of the 50/50 cost sharing in 1977, to the removal of the revenue guarantee in 1982. All those things made an important contribution to the reduction in quality and accessibility of our health care system.

In government, the Official Opposition, the Liberal Party, began this process which the new government took on itself with a great deal of vigour. This sequence of events followed one after the other, the Liberal cuts followed by the Conservative cuts. All the time, of course, ordinary Canadians were made to suffer.

The time has come to invest in the future, to invest in Canada, to invest in Canadians. There are other approaches than this ratcheting down of the economy that this government is pursuing. There are other approaches than cutting back on social services, cutting back on health care, at a time when people need them most, cutting back on post–secondary education when that is the one way that we will be able to get out of our economic difficulties.

There are other ways. There are other ways being followed by other countries which have been successful in dealing with the problems we are facing. Look at

either the Japanese example or at a country like Austria, which has followed a full employment policy, which has ensured very low levels of unemployment, which has controlled inflation, which has controlled its currency value to a desirable level, which has dealt with foreign ownership in an effective way, which has addressed the investment problems and research problems and so on of its economy, a country like that took the creation of unemployment as its main goal in economic policy and it built everything else around that.

There was not an ignoring of inflation, an ignoring of the currency, and so on, ignoring of other economic indicators. There was a clear recognition that the way to fix the economy was to make sure that people were working, to follow a full employment policy. Neither the Liberal federal government nor the Conservative government has ever pursued a full employment policy and neither have the provinces. None of them have put unemployment as the first order of business.

• (1610)

We see inflation as a problem. What do we see Liberal and Conservative governments doing across the country? They create unemployment to reduce inflation. Ordinary Canadians pay the price for government policies which have not worked.

The way to deal with all of these issues in those countries which have followed full employment policies is, of course, to deal with these matters in a co-operative way with business, government and labour sitting down together to deal with the critical economic issues of the day. That works in Scandinavian countries and, as I say, in Austria. It provides people with security, it provides people with jobs and it provides people with a participation in the decision-making process.

The last point I want to make is that if we have those full employment policies, if we have Canadians working, they can provide for their families. They can buy the food they need. They can provide the housing they need. They do not need to have them provided by a social safety net.

They will of course at times need the social safety net. They might be unemployed at different times in their lives and they will need the security, the cushion of an unemployment insurance program. By working, they will be able to provide for the services, provide for the things they need.

The only way to ensure that Canadians have what they need in terms of food, shelter and so on for their families is to provide them with a job. It is time that this government dispensed with these economic policies that are not working. They are not working anywhere in the world, as we can so clearly see. It is time we dispensed with those policies and took on policies which put people first, not large corporations first, and developed and put forward strongly a full employment policy so that people can work in Canada and people can provide the services they need.

It is not the solution to crank down on social services, to crank down on education, to crank down on health care funding to the provinces. It is quite clear the provinces cannot sustain those programs at the level of quality that is required in Canada.

It is time for this government to put Canadians first, to invest in the future, to invest in Canada and to invest in Canadians.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I want to say again, as I do on every occasion, how privileged I am to rise in this House on debate, specifically on this important Bill C-20.

Bill C-20 has rung many alarm bells across this country because of its implications for that most venerable of our social policies, medicare. It also has implications of course for post-secondary education and it is tied into the effort the Conservative government has been trying to make toward eradicating illiteracy.

These two areas of responsibility are of course under provincial jurisdiction, but the federal government is able to direct the policies because it pays the bills. We pay the bills. The legislation before us moves the federal government away from its monetary commitments in these areas. The implications for the continuation of these programs remains grim to say the least under this government.

We have to ask ourselves: If there is less money coming from the federal government to the provinces to support these programs of which I speak, is the federal government still able to direct national standards? The message from Canadians, from my constituents in Hamilton West, I believe is that they do not want the

federal government to abandon its traditional role in supporting these programs and enforcing national standards. The government must continue to support in fiscal and policy areas full national standards.

The main purpose of this bill is to put into effect the provision to extend the freeze on Established Programs Financing or transfers, as we like to call them, to the provinces until the year 1995. It is the former Minister of Finance's legacy to this country.

It is medicare that would be most effective under this scheme because of the way it is treated under the governing statute of medicare, the Canada Health Act.

My concern and that of my constituents to whom I have spoken as recently as today is the impact this bill, Bill C-20, will have on our treasured and highly respected social and health and education programs. Bill C-20 is the government's big-stick approach, a deliberate attack on, among other things, the very future of the medicare system in our country.

Canadians are proud of their social systems, especially medicare. We are familiar with the difference between our health care system and the health care system we witness in the United States. People need to have huge amounts of insurance coverage because health care as we all know is so very expensive there. In Canada we take it for granted.

I do not mean that in a negative way. What I mean is that there is a medicare system there for us to rely on wherever and whenever we need it. Of course this makes it universal in scope.

It is that very universality that is under attack in this particular piece of legislation, Bill C-20. Health care is a provincial responsibility, but the federal government calls the shots on how it is to be organized because it has the money. The less money that the federal government has at its disposal to expend, the less clout it is going to have enforcing provisions of the Canada Health Care Act.

Let us imagine for just a moment the worst case scenario in a breakdown of this system we are speaking about. This would be where in one less affluent province health care resources would be extremely strained. In another more affluent province, health care would have greater resources. What is the end result? It would create a system that would no longer be universal from coast to coast to coast, but a patchwork quilt where good health care depended upon what part of the country you lived in.

The concerns that are coming out of my constituency are very real. The health care act, our public medicare system of course is one of the cornerstones, one of the building blocks of this great nation. As I mentioned earlier, I had a chance to speak with some of the hospital administrators in my riding.

In Hamilton we are proud, we boast, that we have the Hamilton Civic Hospitals, that is Henderson Hospital and the General. We boast that we have St. Joseph's Hospital in the downtown core. We have, of course, the Chedoke McMaster Hospital. Many a member in this Chamber I am sure is familiar with the McMaster University Medical Centre.

What are they are saying? If you want a direct quote from one of them I will give it to you. "Because of the financial situation we are in this year, we are survivable". Survivable. "Next year it is going to be a bitch".

Why? Probably because they foresee in their budgets a deficit that will be created next year and probably stay with us for three years, they say. A deficit of $5 million to $9 million is the possible in 1992. That is on a budget of just over $220 million.

What do they need at these hospitals in Hamilton to sustain the services and the programs they have initiated for next year? They say they need between 6 per cent and 7 per cent. That would maintain the current services and programs where they are today.

• (1620)

Because of cutbacks in transfer payments, reassessments, et cetera, they are guessing that they are going to get an increase, not of 6 and 7 per cent, but of only 2 per cent. What is that going to result in? The answer is obvious. It is going to impact on our programs and our services. It will mean cutbacks.

We heard from other members from the Toronto area where those cutbacks are going to happen. They have already begun. Wards have closed. People are being laid off.

What about Hamilton? In the great city of Hamilton we have cancer research programs, cardiovascular and neuroscience programs. We have the burns unit and the trauma program which are second to none in the world.

What are they facing next year? Deficits. What are they facing? Two per cent increases.

This government is tampering dangerously with a medicare system that is second to none. If anything else, it is feeling the insecurity. These hospitals in the Hamilton area, in Burlington, in Halton—Peel and in other areas across this country are feeling the insecurity of the pending budget crisis they may face by the end of their fiscal year, March 31 of next year. They are on pins and needles.

They ask themselves if there are going to be savings. The government hopes that with this bill and other parts of its strategy to save *X* amount of money.

The hospital administrators tell me the government is going to try to save *X* amount of money and in order to save that money at that particular hospital, it will have to close a service. Let us take maternity service, for example. At this hospital in Hamilton it will have to close the door to the maternity service to save money. It is only going to have half the amount intended. Why is that? The demands by the public for the services of the hospital and for the maternity services of that particular hospital are only going to shift to another hospital. As a result, what is the saving? Now we have an increased demand at another hospital within as little as 10 or 15 miles of the other.

Do Canadians want that kind of a system? I say no. This bill does not create that kind of gap, but I believe this bill and the continued administration of medicare under this government put the system on a slippery slope toward an uncertain future for medicare in this country.

As testimony to the notion that under Bill C–20 medicare is threatened, the former Minister of Finance stated in the House of Commons on February 26 of last year: "I recognize that limiting the growth of transfers under the Established Programs Financing raises concern about the ability of the federal government to continue enforcing national medicare principles under the Canada Health Act", and that "legislation would be introduced to ensure that the federal government continues to have the means to enforce these medicare principles".

In other words, behind the smoke and mirrors this government is saying: "Even though we are paying less and less of the bill, we will still call the shots". The government is so sure that it has abandoned its role that it has included a section in this bill which tries to reinforce the federal presence in medicare, but it is only on paper. The problem is, without the financial commitment, without the financial backbone from this government, the provinces will not have to listen to the federal government, without whose support national standards will be extremely difficult to pursue, even unconstitutional, as some have said it would be.

Canadians do not buy this attempt by the government to sweep medicare under the rug. We on this side of the House do not buy the bill of goods this government is trying to sell us. Either you are in or you are out, you cannot have it both ways.

This government is driving Canadians to the unemployment lines and is neglecting the programs that are so fundamental to the lives of Canadians.

We need full employment in this country. We need to save our national programs and their national standards before it is too late.

We ask the government to listen to the people. They are speaking out.

In today's *Quorum* I could not help but read the results of a most recent survey of 1,505 adults. Angus Reid said:

"This is a government without the legitimacy of public support in any region. It is a beneficiary of an unprecedented level of public anger and anxiety, anxiety that it is not addressing the things that worry Canadians like the economy; anger in the sense that the country is being run by a dictatorship."

There is clear evidence; 1,505 adults who picked up the phone and answered the questions of the pollster said they feel helpless.

Unemployment lines are growing, food banks are running out, more people are going to food banks and more children are in poverty in this country. There are one million children in poverty in Canada. It is outrageous.

Now we have before us Bill C–20. What kind of strategy is this?

I challenge the government to show me, show my constituents and show Canadians how this bill contributes in some kind of a positive way to our health care system, in some kind of a positive way to our post–secon-

dary education, especially literacy. If it does it will get my unqualified support.

In its present form Bill C–20 illustrates a government on the take, caring very little for those in need, especially in today's economic climate and the tragic fallout of that economic climate. It illustrates this government's economic mismanagement over the duration of its three–year term which stretches back even prior to a three–year term, right back for almost eight years. For eight years we have had a problem in this country and during those eight years we had a time to sock some away.

An hon. member: Eleven years starting with—

Mr. Keyes: If the hon. NDP member wants to get up and speak he will have his opportunity.

We have the opportunity here to do something about it and we have Bill C–20. This bill in its present form is leaving our cherished principles exposed and vulnerable. The party that I am proud to be a member of will have no part of it.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I want to ask my hon. friend a question about medicare.

With the transfer of payments not going ahead as planned to keep a good system in place in this country, and with the federal government backing away from the provinces and making them pay more money or alternatively reducing the services, what does the hon. member really think is coming eventually down the road, in very short order, as a result of this federal government backing away from its national responsibility to maintain reasonable standards and reasonable taxation levels at lower levels of government in this country with regard to medicare for all the people of Canada?

• (1630)

Mr. Keyes: Mr. Speaker, I want to thank my hon. friend for the question.

A little earlier I gave the example of Hamilton having many exemplary hospitals. We have the Hamilton Civic Hospital, St. Joseph's Hospital, McMaster University Medical Centre and Chedoke Hospital. We have a system renowned around the world. It is admired to the point where even the United States is attempting to emulate our system.

This government is trying to hackney it down into the ground on economic terms, on strategy completely foreign to Canadian interests. I gave the example of trying to save money by eliminating a maternity program at one hospital and taking the people who were going to use that service and transferring their requests and demands to another hospital. What are you saving?

In answer to my hon. friend, look at it on a national scope. What a great province Ontario is. Ontario is the machine that drives this country. We are a have province but there are other provinces across this country that are not as fortunate as Ontario. They are provinces in which conditions of weather prevent them from being as strong as Ontario.

We have to help out these regions. These regions may not be as fortunate as Hamilton or Toronto with all their hospitals and all their availabilities. These regions and the people within must travel miles in order to get a vaccination shot for their child so their child does not catch the flu or a cold this winter.

They make their sacrifices in the outlying regions. The very least we can do as a government is ensure that the availability and the services provided for in the have provinces are made equally available in those have not regions of the country. We are, after all, a country called Canada from coast to coast to coast.

We are not the country of Canada, Ontario; or Canada, Ontario, Quebec; or Ontario, Quebec, B.C. How fortunate we are. Those who have must share with those who have not. You just have to travel from coast to coast and examine province by province.

In the current year, for example, the cuts start east in Newfoundland, which loses $71 million in health and $29 million in education. Prince Edward Island loses $16 million in health and $7 million in education. Nova Scotia loses $111 million in health and $45 million in education. New Brunswick loses $90 million in health and $37 million in education.

La belle province, Quebec, loses $843 million in health and $340 million in education. Ontario loses $1.2 billion in health and $489 million in education.

Continuing westward, Manitoba loses $136 million in health and $55 million in education. Saskatchewan loses $125 million in health and $15 million in education. Alberta loses $308 million in health and $124 million in

education. British Columbia loses $390 million in health and $158 million in education.

Even the Northwest Territories loses: $6 million in health and $3 million in education. The Yukon loses $3 million in health and $1 million in education. The total loss is $4.6 billion that is being taken out of the system. How can that not have any kind of an impact on post-secondary education? How can that have no impact on our medicare system, the very cornerstone of the most admired system in the world?

Yes, we have to pay for it. We must rely on a government that will come forward with the economic and fiscal policies that will drive the engine again of this country. When you put people back to work, when people are earning their daily bread, 40 hours a week and collecting their pay cheque, they are more than happy to share that opportunity in the have provinces with the have not provinces. They are willing to do that.

When you have job creation and when you have people at work, and your economic policies are solid, then you have the ability to pay out to the provinces the money they need to keep this country on solid footing with the policies and the programs that are around the world as Canadian.

They do not say: "They have a great medicare system there, they have a great education system there". They say: "That is a great Canadian system". That is a pride we have and it is being devastated by the combination of economic mismanagement and the stripping of money when in this country we need it most today in this harsh economic climate caused by this government.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I am pleased to have a chance to speak on Bill C-20, another bill by this government to cut back on the programs that Canadian people worked to pay for, worked to claim from their governments for many decades, cutting back on the equalization programs, the health programs, the education programs, the social assistance programs, the public utilities programs and while I was going to say cutting back on unemployment insurance, it is not quite that way. It is worse. The government of course pays zero now to unemployment insurance.

There is only one other industrialized country in the world that refuses to contribute to unemployment insurance and that is the United States. That is where this government wants to drag us.

These cutbacks are disastrous for our country. They are a continuation of policies that were begun about 18 years ago under the then Liberal government and continued into the eighties but accelerated very seriously by this present Conservative government.

It is the outcome of almost 18 years of tax policies that gave hand-outs to the rich, to the corporations and to the rich owners of corporation shares, and also it is a continuation or an outcome of the free trade agreement which speeded up the hand-over of Canadian industries, particularly Canada's manufacturing industries, to the United States.

It is also the outcome of privatization of some of the services that the Canadian taxpayers built with their tax money and their labour and which have been handed over to the pals of this government for a song, services such as transportation and the post office and an increasing number of government services worth more than $5 billion a year now in contracts, contracts to private profit industries of work that should be done by public servants so that the bill for this contract pork barrel is more than $5 billion and therefore greater than the whole bill for public service and much less accountable than the bill for public service. The irony is that the government is crying poor. It never mentions that $4 million per hour every hour of the day, every day of the year, leaves Canada for the United States in investment income payments—$4 million per hour. That is roughly, at an estimate, $34 billion per year. This has been accelerating because of the government's policy in making it easy for the United States to take over more and more Canadian industries, either diverting the profits to the United States or diverting the the best paid jobs to the United States, or sometimes simply closing the operation, as they did with Inglis washing machine in Trinity Spadina and throwing 700 or 800 people out on the street in order to sell from the United States what used to be produced by Canadian workers.

• (1640)

By crying poor, after giving all that money to rich Canadians and allowing more and more of the wealth of Canada to flow out to the United States at the rate of

many billions of dollars per year, the government now wants to chop about $4.5 billion out of the programs that serve the basic needs of Canadian people. It wants to limit, through this bill, the annual increase of provinces through the major transfer programs to $1 billion per year until 1995. At the same time it has half a billion dollars more for war, though we have never been in such a peace situation as we are now, it gives $30 million more for secret police, the CSIS, without of course any opportunity for Canadians to find out what is being done with that budget because it is secret, and therefore less for health, less for education, less for social assistance and, as I said, zero from the government for unemployment insurance, except a law that will increase the fees at a time when workers have less to pay with.

I want to speak for a few minutes about our health system. Previous speakers have referred to it. I think it bears not only emphasizing the points they made, but adding to them. In Canada we developed a national health care system that had five important principles. One was comprehensive. It does not cover every imaginable health cost, but it covers nearly all of them, prevents people going into bankruptcy with health problems and enables people to have their health care paid for when they are flat on their back in bed and unable to earn the money, which is the most important of all.

It is universal. Everybody is entitled. The poor are not left out because they are poor.

It is portable. You talk about unity in our country, unity between the provinces. When the government cuts back its central share of the funding for the health programs, provinces will be under pressure to say, as occasionally they say now, but only occasionally: "No, you cannot come into our hospital because you live in another province. You may be a Canadian but you cannot come into our province for health care because we do not want to pay for the health care needs of somebody from another province". The whole principle of portability was meant to ensure that a Canadian could get the health care he or she needs anywhere in Canada regardless of provincial jurisdiction. It should be accessible, and there has been a good expansion of health care systems into even the outlying parts of our country. It has not gone as far as it is needed but it is going that way, and it is administered publicly. Therefore, it was efficient by comparison with the chaotic, that is to say market system of health in our neighbour to the south. I will be coming back to that later.

The federal government has the responsibility for ensuring these five principles by the original deal of 50/50 funding, matching the provinces dollar for dollar. That was eroded under the Liberals and it is being downgraded further and will eventually disappear or become quite insignificant under the present Tory government.

This is a program that began in Saskatchewan under the CCF and the New Democratic Party and was so evidently a good program that other provinces insisted on having it and the federal government, in the sixties particularly, established it. It is if not the best in the world, certainly one of the very best, and it is recognized that way especially by our neighbour to the south, or at least by the people of our neighbour to the south, not necessarily by the government.

The NDP believes that we must direct more resources toward health rather than less in order to keep pace with the new health threats in our country, such as the threats from environmental degradation. There is a health need now to provide preventive health care and remedying of the poisonous elements that we put into our environment, which would in the long run save a good deal of money in acute health care.

I want to make several points about the Canadian health system. In the United States, they spend about $600 billion a year on health care, but 40 million Americans have no health insurance protection whatsoever. The United States is the only country in the world, other than South Africa, without some form of public health care system.

Second, universal availability is the basis of a system that gives priority to efficiency over competition. The chaotic market competitive system to the south of us spends far more money per person on health care than Canada does and it gets poorer results, less health, less lives saved for more money because they do not have a universal availability and a public administration. For example, in the United States they spend about $2,268 per capita for their health coverage, while Canadians spend $1,580, less than two-thirds of what they spend in the United States. It costs $360 per day on average to

stay in an American hospital compared to $210 in Canada—that is $360 Canadian.

Further, most western countries have stabilized their medicare budgets, but not the United States—the United States, the land where the market reigns, where if you cannot pay you can be turned away from the hospital no matter how sick and needy you are. In 1987 the U.S. health care costs rose to more than 11 per cent of the Gross National Product, compared to 8.5 per cent of the Gross National Product in Canada. In some European countries they are even lower with roughly the same sort of health care system that Canada has, and they spend an average of 7.5 per cent of their Gross National Product.

The Canadian system is more efficient. Canadians are hospitalized for 11.4 days on average and the Americans for 6.4 days because of the more intensive use of technology. Utilization rates are higher in Canada. In 1989, 37.2 per cent of American doctors were sued for accusations of malpractice. That means that some of them are avoiding certain medical procedures because they are too risky. In other words, our system is working better.

• (1650)

The rate of production of physicians in Canada and the United States has been about equal, but the main difference between Canada and the States is that in the United States, physician fees have been rising far faster than the inflation rate.

In Canada they were dropping in the 1970s. They have now risen slightly but they are still a little bit behind the inflation rate.

The result is that in Canada the average life expectancy at birth is 72.9 years for men, 79.8 years for women, whereas in the United States it is only 71 years for men and 78.3 years for women. So men and women in Canada live longer than in the United States because of our health system.

Canada's infant mortality rate in 1985 was 7.9 deaths per 100,000 live births. In the United States it was 25 per cent more at 10.6 deaths per 100,000. The United States is down at twentieth on the international list for infant mortality. Canada is fifth to the lowest.

Canadians are allowed greater freedom of choice of their doctors. I hear from my son who is presently living in San Francisco that there is a debate going on in the media there about the Canadian health system. People say that there is a problem with it. Then somebody writes a letter to the paper saying that there is not and they were there. One person claimed that you could not choose your doctor and another person who was from Canada said you can choose your doctor.

In New York they have a state legislature bill. The New York members of the National Congress have a bill in Congress as well to bring in a health care system modelled on the Canadian one. The American labour movement is pushing strongly to establish a health care system modelled on the Canadian one. In fact, they have invited members of the NDP to go to the United States to tell them about the health system. Yet in this country, the government wants to undermine it and push it into privatization,.

Canadians are fairly well satisfied with their health care system and one of the reasons for the satisfaction is that a doctor has little financial reason to refuse a patient. This happens too often in the United States when a person goes to a hospital or a doctor, is asked to pay in advance and may not be able to and is turned away.

It is disastrous for this government to undermine our health system with the kind of cuts it is making with Bill C-20. It is also disastrous to be cutting the money for post-secondary education. Students are dropping out of their studies for financial reasons. Sometimes it is simply too much to be working at a job and studying as well. They cannot stop eating, so they have to stop studying. Some students are coming out with intolerable debts that they cannot pay while they are unemployed for a year, two and three years or when they are under-employed.

The universities are in effect becoming mortgaged to private industry for funds. That is to say, they have to do the research that private industry thinks will benefit this or that particular segment of industry, instead of doing the basic research that would make our country much stronger, not only technically, but intellectually in the broader sense and worldly, instead of giving a broad education.

It is ironic. There are few other white headed people in this House of Commons who can remember 1945 when we came out of the armed forces and were offered the veterans affairs programs. The Department of Veter-

ans Affairs said it would help us set up a business, build a home, get into farming or go to university. I got $60 a month and tuition paid. With a very small amount of work, usually in the summertime, I was able to manage on that. It was raised later to $80 and, two or three years later, to $100. They gave us a monthly allowance as long as we were studying and our grades on the exams passed a reasonable level. The attitude surely was that study is work and useful to Canada. Canada paid us to study.

Tens of thousands of Canadians went to university on DVA who would never have gone otherwise. I was not one of those because I was fortunate enough that because of my parents' circumstances, I would have gone anyway. Some of those people became brilliant in science, industry and finance. Some of them are still members of this House. And yet the government wants to cut off that possibility in Canada.

There is also the matter of public assistance in which Canada has a worse record than Britain or West Germany. We have 14 per cent of people in poverty and are cutting back on public assistance. Germany has only 7 per cent, Britain has 9 per cent and Norway and Sweden have 5 per cent living in poverty. And of course, there is the UI cutback.

What we have is not an attempt to balance a budget or pay a deficit, because the deficit was created by gifts to the rich. It is a class attack. It is an attack by the class of owners of industries, by the corporations and their major shareholders, on the people who must earn their living by working. It cuts their pay and humiliates them. It is building up massive anger and a massive demand for a change in the power system in Canada.

I wish this government would ease off because the change may be more chaotic and even more violent, considering what we see in the newspapers, than any of us could wish. We should be negotiating between the government and the people of Canada for a decent opportunity to work, a decent opportunity to live and a sense that people belong to each other rather than just competitive dog-eat-dog philosophy in the service of American-based corporations.

The Acting Speaker (Mr. DeBlois): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Algoma—Agriculture; the hon. member for Burnaby—Kingsway—Soviet Union; the hon. member for Surrey North—Health; the hon. member for Cochrane—Superior—Trade; the hon. member for Scarborough West—Immigration.

Resuming debate. The hon. member for Renfrew—Nipissing—Pembroke). I would remind the hon. member that the five hours of debate have now expired.

[*Translation*]

The five-hour period is now over. We move on to ten-minute speeches, without questions or comments.

The hon. member has the floor.

[*English*]

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I was concerned when I got up before that I was not recognized. It was my understanding that we had one NDP and then two Liberals. We had only one Liberal and then you reverted to the New Democratic Party.

In view of that, I wonder if I could request 20 minutes instead of 10.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to give 20 minutes to the hon. member?

Some hon. members: Agreed.

Mr. Hopkins: Thank you very much, Mr. Speaker, and members in the House for that courtesy.

This bill before us today gives the government the hope that it will be able to extend the freeze on Established Programs Financing transfers for an additional three years. That means that the freeze will be on federal transfer funds to the provinces. That in itself is a very serious financial move. Every businessman knows, every person who brings home a pay cheque knows that if you do not even get the amount of money extra that inflation is costing you then of course you are getting a lower and lower salary as each year goes by.

• (1700)

The federal government is giving the provinces of Canada less and less each year according to the rate of inflation. That is not being made up for them.

That places the provinces of Canada in the position of either reducing services or bringing in some high taxes at the provincial level. Someone has to pay the piper. If they do not want to raise the taxes, then services will have to be reduced. The other alternative is that they too go deeper and deeper into debt.

On this bill, we have very serious implications in the field of medicare for Canadians. In post-secondary education, there are very serious moves and of course just last week we had a very serious debate in this House on the Young Offenders Act.

If the provinces are going to have to allocate more money to post-secondary education and medicare, as the federal government backs away from its commitment, then it means that they are not going to have the extra money to go into the services that are needed to look after the administration of the Young Offenders Act that was passed in this House just last week. That is serious business.

What is the sense of any government in Canada passing legislation in this House if it is not going to pay the bill for the administration? That is what is happening to our education—

The Acting Speaker (Mr. DeBlois): It being five o'clock p.m. pursuant to Standing Order 36, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

HEALTH

COMMUNITY HEALTH CENTRES

Mr. Ray Funk (Prince Albert—Churchill River) moved:

> That this House calls on the government to support the foundation of consumer-run Community Health Centres, which have preventive health care as a principle of operation, and which engage medical professionals to provide services in salaried or contractual positions, as opposed to the traditional billing arrangements.

He said: Mr. Speaker, I am privileged to be able to put this motion before the House today because it is something that I consider to be a very important subject.

It is somewhat ironic that we are discussing this private member's motion on the very same day that we have heard a number of speeches in this House with respect to Bills C-20 and C-69, which deal with the cutbacks that have been happening in the medicare system and the threat which our medicare system is being put under as a result of these cuts.

It is ironic to me that we are spending all this time discussing the negative aspects of what is happening to our national health care system while at the same time we devote so little time talking about positive alternatives. In that respect I guess I am sorry that this is not a votable motion because I think this would offer members an opportunity to say something positive about health care rather than continuing this endless round of cuts and more cuts.

I think Canadians are acutely aware of the funding crisis in the medicare system. At the same time they still hold the medicare system intensely dear.

They are very much committed to the basic notions of medicare. Medicare has become a fundamental part of the fabric of this country.

The Spicer commission reported that across this country, in every province and in every community, medicare is seen as the primary vehicle or the primary institution that holds this country together.

It is perhaps interesting to note that in the constitutional debate people are finding it somewhat difficult to put a handle on the notion of what a social charter might mean and also what the political implications of a referendum might be. I would suggest that if we put to Canadians the notion that medicare should be entrenched in the Constitution of Canada, we would have virtually unanimous support for that idea from coast to coast.

I think we have seen other evidence that health care is still a resonant issue not only in Canada but in North America. The election of Senator Wofford in the recent Pennsylvania senatorial race is a good example. That senator ran on the slogan of "why should criminals be entitled to a lawyer when you are not entitled to a doctor?"

That sounded a real chord with the people of Pennsylvania and with the American public. They are debating medicare actively, and Canadians are looking for an active and positive debate on the future of medicare as well.

I would also, at the beginning of this speech, like to mention that much of my interest in the subject of community health centres comes from my own community of Prince Albert. The people of Prince Albert, when confronted with the crisis of the doctors' strike in 1962, did something about it. They organized a community health centre around the work of a physician by the name of Orville Hjertaas.

It was one of the most dramatic moments in the history of medicare in this country and I think it deserves special attention in the annals of medicare.

In Prince Albert we have demonstrated all the things that I am going to speak about later in the speech. The community health model is cheaper, it is more cost effective, it is better at doing preventive care and it involves people in the community.

Community health centres start from a fundamentally different premise than our regular model of health care. That is because they are based in community experience, and are organized and founded within the community by local people. From development on, they are inherently community based.

They are all run by volunteer boards elected by the community, whether they are organized on a co-operative basis or on some other type of non-profit organization basis.

There have been lots of studies done about the community health centres in this country. I want to mention that there are some very successful models in this country, apart from the one in Prince Albert.

There are community clinics in Winnipeg, in Montreal, in Vancouver, in rural Prince Edward Island and in northern Ontario. All of these provide very positive models not only in their own communities, but to us nationally.

For example, in a paper by Douglas Angus and Pran Manga sponsored by the Canadian Co-operative Association and with help from the co-op secretariat of the federal government entitled *Co-op Consumer Sponsored Health Care Delivery Effectiveness*, they concluded that the community health centres are efficient and effective.

A 1982 government of Saskatchewan study compared 15,297 community clinic users and 15,297 private practice patients matched for all socioeconomic variables.

It is interesting to note that the former government of Saskatchewan refused to release this report which was commissioned in 1982 and completed in about 1984 or 1985. It did not release it until 1989 because I think it did not like the implications of it, which say that we need a wholesale change in the way we look at health care.

The findings of these studies were that over-all health service costs were 13 per cent to 17 per cent lower for community clinic patients than for private practice patients, 13 per cent to 17 per cent lower.

I would like to quote from the authors: "The principle reason for cost effectiveness is the significantly lower hospital utilization by clinic clientele compared to those of fee for service practitioners". They continue to say that this lower utilization of hospital facilities is the most significant and incontrovertible finding of numerous empirical studies they have reviewed.

Non-fee for service systems generate rates of hospital utilization from 10 to 40 per cent below fee for service physicians.

• (1710)

These findings are corroborated by those in larger population studies in U.S. community clinics.

Twenty per cent savings in hospital costs and patient days lead to a saving in over-all costs of about 5 per cent to 8 per cent in just this one aspect alone, hospitalization. That is the fastest growing component in health care costs.

The clinics have also been found to have a better record in providing childhood immunizations, cancer screening, cancer prevention services, preventive health maintenance for women, for seniors, for expectant mothers. All of these things mean healthier patients, lower drug costs, and lower costs to the community in general.

MDs and community clinics prescribe fewer prescription drugs which have cost and health advantages. Provision of out-patient services and support services

like X-rays, labs, and physiotherapy can cost substantially less than the same services in hospitals.

Preventive measures like well-baby clinics, geriatric dietary care and awareness education about violence against women and children can all be incorporated in the community health model which then makes not only for lower costs but for a much healthier population and a much healthier community.

I might also add that we are living in a day and age when people are demanding more say in their over-all lives. They are demanding that they have some control over the institutions that give them services and surely community health services give people an opportunity to get directly involved in providing their own health care. We also have seen that health care is something that people are individually very interested about in this country and it is something they would get involved in.

Another advantage of clinics is to respond to the wide diversity of needs in this country. There are clinics specializing in services to new Canadians, to urban aboriginal Canadians, to rural aboriginal Canadians and to farm communities. The variety is infinite when it comes to the types of models which can be adapted to reflect particular local circumstances.

Community health centres are also cost effective because they are administered by professional health administrators. Very few private practices have that kind of management training.

As well, budgeting and cost control for primary health care are easier for provincial governments to control because budgets are negotiated on a global basis which makes them predictable from year to year and makes it possible to do the kind of evaluations which show whether money is being well spent.

I think what rings the loudest in the context of the debate here in Parliament today is the cost saving of 13 per cent to 17 per cent. Let us put that in some kind of a context. In 1990 total health care expenditures in Canada are estimated to be $60 billion. That is 9 per cent of our Gross National Product or $2,266 per person. These costs are rising at about 12 per cent per year. We know that.

Imagine that with this basic change to how we view the delivery of health here, we could save from 13 per cent to 17 per cent of the $60 billion cost. Even at 10 per cent we are talking about $6 billion worth of savings and that is not something that this country can ignore in its present fiscal situation. The federal government cannot ignore that kind of possible saving, nor can provincial governments.

What is the federal government's role in this? I think that is a legitimate question to ask because the federal government seems to be seeking a smaller and smaller role in the whole health care area. In keeping with its cutback in funding it also seems to be withdrawing from what it formerly saw as a leadership role in the delivery of health care to Canadians and especially the establishment of medicare.

Certainly those two aspects, the establishment of medicare and the establishment of national standards, remain federal government responsibilities.

The government has also talked in the past about more active participation in health care. Certainly this government has. In November 1966 the Hon. Jake Epp, the then minister of health, now the minister of energy, released a blueprint for direction of health care delivery in Canada entitled *Achieving Health for All: A Framework for Health Promotion*. It outlined a system of health care wholly consistent with that promoted by the co-operative and community based health centre concept.

There are three strategies outlined in that report.

It called for the encouragement of greater public participation; the strengthening of community services and the co-ordination of public policy. All three of those fit exactly into the framework of community health centres and co-operative clinics. What kind of action have we had from of the government?

When researching this speech I saw a pretty dismal picture. In the Department of National Health and Welfare there is exactly one person working full time on community based, consumer oriented health care—one person working on clinics in community based health care. That is in a year in which the Department of National Health and Welfare is listed as having a total of 8,500 people working in it. Having one person out of 8,500 working on this delivery system, which could save us 13 per cent to 17 per cent of our health care costs, is just plain stupid.

We have seen this kind of lip-service from the government, but we have not seen much action. We have also seen supporting evidence from the provincial level. The

Seaton report, recently released in B.C., strongly endorses the community health care model. In Ontario, a discussion paper called *New Beginnings*, released by the Ontario Ministry of Health, concluded that community sponsored organizations were better at achieving objectives of broad-based service provisions and cost containment than non-community sponsored forms of care. In Saskatchewan the new government campaigned with preventive community based care as one of its central campaign planks.

Provincial governments across the country are reaching the same conclusion: this is the direction to go in. Somebody has to take some leadership in this. With the cutbacks coming from the federal government, certainly the latitude that it has to be spending money in this area is drastically curtailed. The leadership that was promised from the federal level, first in the Jake Epp report and then later by the ministers of co-operation, is simply not there.

A few years ago we had a federal-provincial co-operatives ministers meeting, I believe in the spring of 1989, which identified as one of its four principal priorities the encouragement and establishment of community health based models across this country—a co-operative health based model. That was identified as one of the four major priorities with the full endorsement of the federal government. There were all kinds of speeches made and press releases about the leadership government was going to take. Where is that leadership? It is not there.

There are other areas in which the government could get involved in promoting the community health concept. There is a lot of work done in the areas of poverty, nutrition and health. These areas could best be addressed through the community clinics. Family violence initiatives could be delivered through community clinics. Community health could become a part of housing initiatives.

Certainly the whole area of native health lends itself very well to the integration of a community health system because it offers a primary way in which the traditional healing methods and the community support structures which are inherent in the native community could be melded with the scientific health model in a way which is appropriate to those communities. We do not see that kind of initiative from the federal government, although it has a clear mandate in the area of native health.

The federal government also has to resolve jurisdictional disputes in many areas. We also have the questions of women's health needs, and support to women and children in crisis, which are also areas in which community clinics can offer a primary support mechanism. We have the unmet health needs of Canada's poor. We have drug abuse problems in many of our communities.

The government could play a key role in being a catalyst in all these areas. It could put together a national co-ordination strategy involving the provinces, involving the co-operative sector, involving existing community health models in establishing this new framework for a Canadian health strategy. Certainly there is a lot of activity under way. In Ontario the government is going full speed ahead with the best resources it has available. Forty-one clinics are already in existence, another 25 to 30 are in process.

These community health centres need money for feasibility studies and planning. They need help to get organized, they need help for a national organization. We are not talking about big sums of money, we are talking about very minute sums of money, seed money, which would result in a saving of 13 per cent to 17 per cent in the system over-all.

• (1720)

I would like to conclude my speech by saying that I think a case has been very well made by many people that community sponsored health centres, health centres where the professionals who are working there are there on salaries and not on a fee for service basis, offer not only the most cost effective but the most community sensitive and the most efficient in terms of preventive health models of any model of health care in the country.

I might say there is another reason why I would like to address this question, because many of us are wondering if our health system is so wonderful and if the Americans are wanting to copy it, how come our health system is in so much trouble? There is a good reason for that. It is because only half of medicare has ever been implemented.

I remember very well in 1962 when medicare was introduced in Saskatchewan. My family was one of only two or three families in our community that supported the establishment of medicare, and it was a very bitter time in those communities. I remember being harassed in the school yard along with the children of other people who supported the establishment of medicare,

and many other people in Saskatchewan had similar experiences.

The doctors went on strike, backed by not only the Canadian Medical Association but the American Medical Association. The Conservative Party and the Liberal Party of the day backed the doctors in that strike. It was a tremendous struggle. Therefore the system that Tommy Douglas introduced was based on insuring existing health care. But Tommy Douglas said at the time: "This is only the first step. This step is certainly needed in order that everybody have access to health care, a universal system but a second step is needed". A second step is needed to provide medical care on a cost effective community based system that actually meets the needs of everyone. Tommy Douglas was right from the start about the need to establish a co-operative and community health centre based system of medicare. If we are going to be true to the founders of medicare, if we are going to bail ourselves out of the crisis we are in, this is the route to go.

I would like to urge all members of this House and particularly the members on the government side to take this motion very seriously and to act on it because I think in many ways the future of our country and what it stands for is at stake.

[*Translation*]

Mr. Gilles Bernier (Beauce): Mr. Speaker, I am sure that the hon. member for Prince Albert—Churchill River knows that the delivery and organization of health services is under provincial jurisdiction.

In spite of that, our government is keenly concerned about the efficient and effective delivery of health services and, together with the provinces, it is exploring new ways to provide for the greater welfare of all Canadians.

We are aware that many provincial studies in the last five or six years show the need to rethink the way services are provided and health professionals are paid for their medical services.

The recently published report of the British Columbia Royal Commission of Inquiry on Health shows as well as anything the serious thinking now going on throughout the country on this subject. The authors recognize that moving from a simple health care system to a health promotion system requires us to explore many different avenues. An approach cannot be considered without taking into account possible repercussions on other areas for any change made to the system.

The British Columbia report contains over 400 recommendations, which shows how complex this issue is. Therefore it would be utopian to claim that one particular approach would solve all the problems of our health care system. That would be too simple. It would also dismiss the considerable efforts made by health professionals and Canadian health care institutions to improve Canadians' health from coast to coast.

It is true that our health systems tended to favour an approach to health based on institutional services and to use payment methods that emphasized treatment itself instead of an integrated approach. After reflection, the provinces moved toward a more balanced system that takes into account a wide range of possible approaches for dealing with various situations. Health centres could be one of those avenues and they could be patterned on the model suggested by the hon. member.

We must not forget that these issues are in provincial jurisdiction, but the government can, and does, help the provinces compile the information needed to consider them in greater depth. The federal-provincial-territorial conference of deputy ministers of health endorsed the recent Barer—Stoddart report on integrated policies for medical staff in Canada. The authors of that report make a number of recommendations concerning the remuneration of doctors. At their meeting in September 1991, the provincial and territorial health ministers agreed that in future discussions based on this report could be undertaken with all interested parties.

The government also helps the provinces to develop their own policy using the national data base on doctors which provides information on payments made to doctors under the fee for service system. Attempts are being made to expand this data base to include other forms of payment. It is impossible to make good decisions without this type of data and thanks to the partnership between the government and the provinces, a picture of the payment situation across the country will emerge.

I am pleased to see that the hon. member displays such interest in users' involvement in health issues. I believe that he takes "user" to mean anyone who benefits from the health care system in Canada. The government encourages Canadians to take part in improving their own health. In 1986, the Minister of National Health and Welfare published a report entitled: *Achieving Health for All: A Framework for Health* promotion. The authors of that document proposed three key strategies to reduce inequalities and increase prevention. They especially emphasized the importance of promoting public participation and strengthening community health services.

All federal prevention campaigns, such as the national drug strategy, the national AIDS strategy and the national tobacco strategy emphasize user participation. People want to participate and they bring all their knowledge and experience to bear in supporting these programs in their communities.

Active public participation is beneficial in more than one way. When people care about community problems and work together to solve them, three things happen: first, they become more aware of the various parts of the problem and they learn more about prevention; second, they help raise their community's awareness and they become real agents of change; third, the services and programs developed with the community are usually more responsive to local needs and more effective because they have public support.

The federal government's funding programs directly support public participation in all health-related issues. The Department of National Health and Welfare financially supports more than 70 voluntary national health and social service organizations. Some particular programs also receive financial assistance through various programs like New Horizons, the Seniors Independence Program, the Family Violence Initiative and the Health Promotion Fund. The government is proud to act as a partner and to contribute to the success of projects set up across the country in all communities, large and small. This partnership is very beneficial and helps achieve results that we could not achieve alone.

• (1730)

Some of these results are tangible, others less so. I already said that by working together, we can increase public awareness and make programs more effective. But those who are active in their community gain considerable benefits: they acquire more self-confidence and are better able to make enlightened decisions about their own health and the health of those close to them. Some will say that we gave them the power and the required resources. I think that they simply realized their own strength.

This partnership is also good financially. For every dollar that the government gives national volunteer organizations in the health field, they obtain $80 million which they spend on education, prevention and research.

It is definitely in our interest to encourage the health care recipients to participate. However, this participation will only be beneficial if they have the required skills and resources to examine problem areas or potential solutions, to come up with valid approaches and work out the many details that are often overlooked but nevertheless essential to the success of a project.

The government intends to give users easier access to the planning tools they need to set up good programs. For this purpose, the department has created a community action information kit. It contains usual information as well as tools to promote setting up community action programs. This kit was put together in consultation with the provinces as well as many community groups and organizations across the country.

This goes to show, the government's concern for the problem raised by the hon. member for Prince Albert—Churchill River and that we work closely with the provinces in dealing with this issue. The creation of consumer-run community health centers is strictly a matter of provincial jurisdiction. However, our government intends to continue supporting the efforts of the provinces that are trying to identify areas of priority thus making for a fairer system better suited to promote health in Canada.

[*English*]

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I am honoured to rise to speak on this private members' motion put forward by my colleague from Prince Albert—Churchill River.

The motion reads:

> That this House calls on the government to support the foundation of consumer run Community Health Centres, which have preventive health care as a principle of operation, and which engage medical professionals to provide services in salaried or contractual positions, as opposed to the traditional billing arrangements.

I am pleased to speak to this motion. I believe the operation of health centres in the Western Arctic may be a model for consumer run health centres. I will give more detail on our system later.

It is appropriate that we are dealing with this motion on the day that the House is debating Bill C-20, a bill that should clearly be scrapped and replaced by a commitment from government to support our vital and universal health care system.

I want to say at the outset that a universal medicare program is essential to Liberal policy and philosophy and basically to Canadian philosophy. The Liberal Party is opposed to the abuse of the medicare system and to extra billing. I do not want to take the time to debate the accepted principles of medicare, those of universality, accessibility, portability, comprehensiveness and public administration. Instead, I will focus on delivery of health services and the supply responsibilities and enumeration of health care professionals.

I support the idea that Canadians need to look at alternatives to ensure that health care services meet the needs of women, aboriginal people, the elderly and minorities. I support the concept that the federal government should complement the existing system of universal health care by permitting non-government facilities to provide much-needed services as long as those facilities use approved procedures, comply with government standards and charge rates that do not exceed amounts set by provincial-territorial health insurance plans.

Certainly the standing committee on health, which spent two years in developing its reports, made recommendations that received all-party support, intended to assist local control and more accessibility as well as a more diverse service than the traditional hospital and dispensary system. The first part of this motion deals with consumer-run community house centres. I have to assume that the intent of the motion abides by the philosophy of non-profit and with the principles of the Canada Health Act.

In my riding we call this concept community-based health services. Community health centres traditionally called nursing stations and traditional hospitals are managed by regional health boards. In Western Arctic these regional health boards include one, the Mackenzie Health Services; two, the Fort Smith Health Board; three, Hay River H.W. Williams Memorial; four, Inuvik Health Board; and the fifth one is the Stanton Hospital Board in Yellowknife.

The theory that guides these boards is one of devolving control of health services to the community levels. These boards are representative of communities where they are responsible for health care centres. They also include some efforts by various departments in the government of the Northwest Territories that intervene in a positive way.

Just recently I was visiting Arctic College, in fact yesterday, in the town of Fort Smith where a group of students are now engaging in what is called an aboriginal medical terminology interpreter corps training which is very innovative and which would not have resulted without accessibility by people to the health care system. It is absolutely integral when you have a patient who is unilingual who cannot communicate their illnesses and their concerns to the medical professionals.

The local input and control of resources not only recognizes but acts on these very real concerns that individuals have at the local level. The government of the Northwest Territories took control over health programs from the federal government in 1988, so the establishment of these regional boards has taken place smoothly and successfully. There are always growing pains with such initiatives but it has been getting some fairly positive reviews in the *Medical Post* dated November 19, 1991. The headlines read that the Northwest Territories is glad to be in control of health care services since 1988.

There are comments that are made by people like the Inuvik Regional Nursing Officer, Sharon Conley, who feels that the Inuvik Health board for instance is working. "Since transfer", she says, "there has been a lot more local interest in health care. We can get things

done a lot quicker because we do not have decisions made in Ottawa through Yellowknife" she said.

These are the upsides of having local control over health services and having consumer-run health programs.

In the same article it states: "Officials of the Northwest Territories NWT Medical Association feel the transfers to the GNWT government has had positive results. It is stated that people who are in control are closer to the scene and they are more responsive to the needs of the territories. For instance the Inuvik Board consists of 17 members and consists of people from all the communities in the Inuvik region as well as governments and the aboriginal organizations".

It is a healthy, if I might, no pun intended, cross section of people to be sitting on a health board, a regional board that expresses the concerns and recognizes the concerns of the people who live in that particular area. The board's responsibilities include budgets, policies, the hiring of doctors and specialists. The boards ensure local involvement, particularly in the small and aboriginal communities.

The other area that is of particular concern is preventive health. This motion deals with preventive health care. The first cause of poor health in the north is inadequate substandard housing. The second cause is the environment within the house. This is a major reason why the northern territories lead the nation in illness and poor health.

As I stated in this House on November 29, the north experiences higher death and disease rates and higher birth and infant mortality rates than the rest of Canada. Cancer is four times greater and suicide is the highest in Canada. Many of the causes of these statistics are the poor housing situation and the general poor quality of life.

In the north we are starting with these basic requirements for infrastructure, for proper housing, water and sewage facilities. These are the things that are recognized by people that are in local control that feel the effects on their families and the people in our communities, people that they have to deal with on a daily basis, not just names and numbers that have no association to them. I am committed to preventive medicine. I believe the government should strengthen its commitments to participation, to drug abuse prevention and AIDS education. I believe also that nursing stations and their personnel play a very key role along with the community health representatives who are trained. These facilities and the twinning with these other community health representatives are integral to the health and well-being of all citizens in the communities that do not have hospitals.

• (1740)

These nursing stations act as a centre of comfort for many who have to go there, where ambulances are not available, who rely on medical rescue missions in the middle of the night or in very inclement weather, under very adverse and harsh environmental realities. This is when the personnel who are situated in the communities are there with the approval, the consent and with the support of the regional health boards that put them there. They ensure we get the quality people we need. The training is very specific and is also very much one that is geared to the community. Most of the community health representatives speak the aboriginal languages of the communities they are in and they serve a very key role.

I want to commend my colleague, the member for Prince Albert—Churchill River, for coming forward with this very important private members' bill. I support it wholeheartedly. I believe that in the Northwest Territories we are a testimony to what can be done if we put control and resources into the hands of the people who understand their communities and can represent their people as well as anyone else in this country.

I believe that we have quality care and we have priorities set out that express what people need in terms of preventive medicine as well as other concerns that prevail over the territories.

[*Translation*]

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I thank the member for Prince Albert—Churchill River for giving us with this opportunity to discuss one of the most interesting areas of development for health systems in Canada. When dealing with health issues, we look at quality of life which concerns every Canadian man and woman.

Although the provision of health services is a provincial jurisdiction, the federal government has been looking into innovative ways to enhance the efficiency of our health systems for quite some time now. The work of Health and Welfare Canada is but an illustration of the government's commitment to support prevention and community oriented approaches to health. The department and its staff with training and experience in the areas of health, social services, community and volunteer work, education, research as well as program and policy development, supports programs that are useful to the operation of community health centres and works toward developing new programs in that area.

Our guiding principle in this endeavour is community participation because communities are capable of taking their health in their own hands and should take part in defining their needs and finding means of responding to these needs.

To help the growing number of community health centres across Canada, Health and Welfare Canada has published a health centre directory so that each centre knows what the others are doing in any given area. The department also produced an information package for community groups and workers. That package, which provides useful tools for action, has already been tested with community groups and health centres across the country. This is an excellent example of the co-operation shown by our government with the provinces and the volunteer groups to support their efforts to reinforce the role and the responsibility of individuals and the community in the field of health and health services.

The notion of consumer involvement in the health sector is relatively new. Numerous possibilities must be explored, including the use of community development approaches.

The department sponsored research initiatives in that field through the National Health Research and Development Program. It has also financed, through a contribution program to health promotion, new community projects that use these approaches. Together we learn that the work undertaken has resulted in an exercise of co-operation between a number of provincial representatives, health centres, managers and of community health researchers.

These people made a concerted effort to determine how the community development approaches could be used efficiently in providing health services. This type of conceptual research and development can be very useful to define the role that community health centres managed by consumers can play in a balanced health care system.

We insist on the consumer participation in the hon. member's motion because we believe that the method used to set up health services is vital to their effectiveness. Many of the existing studies on the subject indicate that the most efficient methods are those based on an upward movement as well as community participation in the analysis of their health needs and the development of appropriate means to meet those needs.

Based on that community health development perspective, it seems that the community health centres managed by consumers have played a pioneer role. Indeed, we only have to look at one of the first initiatives, the local community service centres, commonly called CLSC in Quebec. As early as the beginning of the 1970s, the position of community organizer was created in the first few centres.

Another example are the community health centres in Ontario, where teams of workers were under the direction of community action co-ordinators and community development agents. These teams were mainly involved in prevention and community health promotion.

The hon. member for Prince Albert—Churchill River is certainly aware of the fact that community clinics of Saskatchewan set up as co-ops some 30 years ago were the first consumer-run health centres in Canada. As a matter of fact, these clinics were among the first to undergo exhaustive and serious studies which have revealed that a parallel system of community health centers saves a lot of money in health costs.

I am convinced that the hon. member is aware of the community health study the government of Saskatchewan carried out in 1983 which contains these findings. The Hastings report is another milestone document dealing with this issue. This report which was commissioned following a deputy ministers of health conference stressed the need for community health centres as tools

for managing health costs and supported the creation of many more such organizations.

Of course, this concept was not embraced everywhere overnight. If you look at provincial reports and studies published over the past few years, however, you can see that interest is growing. For instance, the New Brunswick Premier's Council on Health is in the process of evaluating how to apply the community health model in the province, while Quebec has reaffirmed its confidence in local community service centres.

Other provinces are examining the possibility of adopting similar models. Despite this growing interest throughout the country in consumer–run community health centres, we must admit that all provinces do not support this kind of centre in the same way.

• (1750)

Some provinces do not officially recognize these organizations as parallel models for health care delivery, while others have legislation in place and permanent funding mechanisms to give them a solid base.

In June 1991 representatives of co–operative or consumer–run community health centres from various regions met to consider the possibility of creating a national network. They felt that such a national organization would help guide discussion and facilitate information exchange.

The Canadian government will continue to follow with great interest the discussions on consumer–run community health centres. There are no miracle solutions to the problems facing our health care systems today. We believe that with good communication and serious consideration of the issues involved, Canadians will find an apt combination of approaches to meet their health care needs.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, on a point of order, while there is a natural interruption here between speakers, I think you will find consent for the following motion:

That notwithstanding any standing orders and usual practices of this House, all recorded divisions requested on Wednesday, December 3, 1991 be deemed deferred until Monday, December 9, 1991 at 6 p.m.;

Second, that in relation to its consideration of credit and charge cards under Standing Order 108(2), eight members, one researcher and the Clerk of the Standing Committee on Consumer and Corporate Affairs be authorized to travel to Washington, D.C. February 4 and 5, 1992;

Third, that the subcommittee on arms exports of the Standing Committee on External Affairs and International Trade be authorized to travel to Winnipeg and Victoria from Monday, February 10, to Friday, February 14, 1992; and to Montreal and Halifax from Monday, February 24 to Friday 28, 1992, in order to hold hearings and visit companies and bases in relation to the subcommittee study on arms production and export; and

That the necessary staff accompany the subcommittee.

The Acting Speaker (Mr. DeBlois): Does the hon. parliamentary secretary have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

HEALTH

COMMUNITY HEALTH CENTRES

The House resumed consideration of the motion of Mr. Funk (p. 5741).

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, there are several aspects to this member's bill which we have been discussing here this evening which go beyond the responsibility of the federal government.

I think most of us know that health care delivery is primarily a provincial responsibility under the Constitution. The Canada Health Act, which came into force April 1, 1984, and embodies the basic principles that form the cornerstones of the Canadian health care system, only requires of a province that there be reasonable compensation to physicians and dentists for all insured health care services rendered.

It does not require specific organizational structures and/or particular modes of payment. I should point out that the Canada Health Act did pass this House with unanimous approval by all parties.

However, I would like you all to be aware that while the federal government does not want to tinker with the mechanism of provincial health care systems as perhaps the hon. member is suggesting, we do have an excellent record in providing support and encouragement to prevention in ways that do not interfere with the constitutional prerogatives of the provinces to manage their own health care systems.

The National Health Research and Development Program provides support for research projects, for studies, for demonstrations and evaluation projects and for the delivery of health care. There are other relevant categories of research, including health promotion and illness prevention, risk assessment, health of native peoples, rehabilitation and dissemination of health services research. These are all addressed by this national program.

I would now like to turn to the area of prevention, in which Canada is recognized as one of the world leaders. That is the integration of preventive services into primary care.

Interest in this topic was triggered well over a decade ago with the growing concern about the decreasing marginal benefits of the curative medical technologies in the context of the spiralling health care costs. In order to address this pressing problem in a truly rational manner and to help preserve the health care system of which Canadians are so justifiably proud, the conference of deputy ministers of health in 1976 established the Canadian task force on a periodic health examination. The task force was provided with a mandate to formulate recommendations that would help to integrate preventive activities into the practices of clinicians. The task force had to examine the appropriateness of a wide variety of preventive manoeuvres. This called for a massive review of the appropriate scientific literature that was out in the public domain, which was a very difficult task. If this was to have any meaning, it could not really be done in a haphazard manner.

Accordingly, the task force developed a rigorous evaluation process involving parameters such as the current burden of suffering related to the condition of being prevented; as well as safety, simplicity, cost, and acceptability to the individual of course.

The group developed rules of evidence based upon rigorous criteria on how to rate the scientific literature support for preventive interventions. These rules of evidence led to a related classification of recommendations that advised physicians whether or not there was good, fair or poor evidence to do or not to do a preventive action.

As a result of their pioneering work in 1979, the Canadian task force on periodic health examination released a monograph addressing 78 selected conditions, accompanied by clinical practice recommendations that were tailored to patient age, gender and risk status.

In the field of clinical prevention, this was a report that was heard all around the world. Without any legislative base, the task force's recommendation was that annual check-ups for ostensibly healthy adults be abandoned and that primary care prevention be provided by lifetime programs based on age and sex-specific health protection packages.

This has had a major impact on the norms of preventive practice in several western countries. For example, in 1984 the United States Department of Health and Human Services established a preventive services task force which actually cloned the Canadian model. Interest in the task force methods has been and continues to be expressed by health departments and/or national health organizations in many other countries around the world.

Since its famous 1979 report, the Canadian task force on the periodic health examination has published several updates. These are presented in the *Canadian Medical Association Journal* for anglophone physicians and in *l'Union médicale du Canada* for the francophone medical practitioners. The Department of National Health and Welfare purchases reprints and distributes them to interested persons and institutions. In all, the task force methodology has been applied to some 200 different assessments both here and outside our borders.

• (1800)

In addition to supporting the development of world class standards in prevention, the federal government has been proactive in taking steps toward the implementation of prevention services. In 1987 the U.S. and

Canadian health departments, along with some private sector support, funded an international symposium implementing preventive services. It was held at l'Estérel, Québec. Not only was this a colloquium of exemplary display by national co-operation, it really showed how, as I say, national co-operation was so important. It attracted many experts in prevention, experts from the United Kingdom, Europe and Australia.

The symposium at l'Estérel made several recommendations about implementing prevented services. These included dissemination of recommendations of the Canadian task force on the periodic health examination; continuation of the task force's work; developing an implementation and infrastructure; educating health care professionals in a way that places more emphasis on prevention and working as part of a team; legislation such as immunization laws, helmet and seatbelt laws, and the non-smoking ordinances, an area in which our current federal government has provided superb leadership.

The federal government is moving forward in the field of clinical prevention. It continues to fund the activities of the Canadian task force on this periodic health examination, and also through the task force we are liaisoning—

The Acting Speaker (Mr. DeBlois): I apologize for interrupting the hon. member.

The time provided for the the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, on September 30 a major rally occurred in Rosetown, Saskatchewan, when over 4,000 farmers rallied to protest the lack of action by the Government of Canada because of the tremendous financial crisis which is gripping many parts of Canada, including farm areas in Ontario and on the prairies. That was one of many rallies which occurred this fall.

On that day in the House of Commons, I asked the Deputy Prime Minister and the Minister of Finance, the former Minister of Agriculture, the following question:

> This afternoon in Rosetown, Saskatchewan, thousands of farmers are gathering to protest the lack of action by the government because they face the worst financial crisis in a generation for Canadian farmers.
>
> Last winter, the government committed itself to providing a third line of defence financial assistance to these producers. When is the government going to provide this assistance?

The Minister of Finance and the Deputy Prime Minister responded, saying that in fact the Minister of Agriculture was going to attend that Rosetown rally and he would be putting forward a litany of programs and support the government has provided to the agricultural industry. In fact, what happened is the Minister of Agriculture attended the meeting, he sort of slid in the side door and out the back door. Practically nobody in the audience saw him and nobody heard him speak because he did not utter a word at the meeting. He came forth from the meeting and gave an interview to the media saying that he had no intention of providing further financial assistance to Canada's hard-pressed farmers.

Last week, several weeks after that event, more rallies occurred. There was a major one in Weyburn a few weeks after this one with some 3,000 farmers. A little later over 7,000 farmers rallied in Regina. Finally the government announced belatedly that it was going to provide some $700 million worth of assistance to Canadian grain and oilseed producers. It did not say when or how it would pay for that. After several more weeks the government announced that it would pay about half of it some time around the first of next year and the rest of it some time in the new fiscal year after April 1.

The government's response to the financial crisis is simply not adequate. The financial crisis is caused by two factors. One is that the government sharply reduced its support programs last year by some $1.3 billion. That combined with the reduction in world prices for grains

and oilseeds has caused a major crisis for Canadian farmers. A year later the government is still nickeling and diming farmers: "Are we going to provide support January 1 and the other half in April?"

As a result we had another delegation last week in Ottawa. The new premier of Saskatchewan, ministers of agriculture from Alberta and Manitoba, leaders of the opposition, Lynda Haverstock from Saskatchewan, former leader from Alberta Nick Taylor and the leader from Manitoba Sharon Carstairs were all here to make further representations. It is time the government stopped fooling around and made these payments.

The Acting Speaker (Mr. DeBlois): The time allotted to the hon. member has expired.

Mr. Jack Shields (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I think we are out of order on this agenda. The member for Scarborough West was first off the mark but obviously he did not make it to the House. The Parliamentary Secretary for Agriculture is on his way over. I would ask for the indulgence of my friend opposite. Perhaps he would wait a few minutes for the answer. Indeed I could give an answer off the top of my head, but I think I would prefer the minister to do it.

SOVIET UNION

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, some two months ago I asked a question in this House of the Minister of Finance concerning the very dangerous situation economically and socially facing the people of the Soviet Union as they approached the coming winter.

I pointed out that Alexander Yakovlev, former Soviet ambassador to Canada, a very respected citizen and one of the advisers to the new government, had said that empty pans are more dangerous than tanks. I urged the Minister of Finance to recognize that Canada should be showing leadership within the G-7 by supporting the urgent request of leaders of the Soviet Union and the various republics for aid as they approach the winter.

Here we are two months later and the situation is in fact desperate. We know, for example, that when the official in the Russian Federation, Mr. Yuri Luzhkov who is responsible for foreign economic affairs, met with the Minister for International Trade he mentioned the need for grain, fodder, meat, dairy products, sugar, vegetable oil, tea, cocoa and packing materials. He said that there is a desperate need now for food.

We know as well of the shortage of power, energy, and the fact that the minister of energy, Mr. Evgeny Petrayev, said: "We have never been so unprepared for winter". At least 40 cities would suffer serious shortages of power and heat during the winter. We know the shortages of basic medicines and disposable syringes and the looming disaster of AIDS which faces the people of the Soviet Union, of the independent nations, the Baltic nations and the independent nation of Ukraine. I might take this opportunity a couple of days after the people of Ukraine spoke out overwhelmingly in a free and democratic referendum—over 90 per cent spoke out in favour of independence, in favour of freedom, in favour of a free nation of Ukraine—to congratulate the people of Ukraine on that very historic decision.

• (1810)

I know that many of my constituents are of Ukrainian origin. Over a million Canadians celebrated this historic decision. I know as well that on this 100th anniversary of Ukrainian immigration to Canada we want to pay tribute to the tremendous role that Ukrainian Canadians have played in our society.

But much works remains to be done. The disaster of Chernobyl continues to cast a dark cloud over the children of Ukraine and of Byelorussia in particular. In my question I asked for our government to respond to the plea at the United Nations General Assembly for some $646 million in emergency aid to eliminate radioactivity from the food chain and to resettle the homeless victims of the Chernobyl disaster. Well, there still has been no response to that plea.

In the short time that remains I want again to say that the most effective response that we as Canadians can make to celebrate the independence of Ukraine, to celebrate the independence of the Baltic nations and to respond to the desperate plea of the other Soviet republics including particularly Russia, is to recognize that there must be direct aid now for food, medicine, energy, and of course to assist in averting environmental disaster. That is a plea we cannot ignore.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like to start by saying that for its part Canada is responding quickly to Soviet needs by using both the existing grain credit facilities and a newly created $150

million facility for a broad range of foodstuffs. All of us recognize, however, that more must be done than simply delivering food.

The U.S.S.R. must upgrade its infrastructure. Therefore in addition to our food assistance we established a $25 million fund for technical assistance. It should also be remembered that we have announced $80 million in credit lines for Ukraine and the three independent Baltic republics.

I am sure that the hon. member will agree that it is in the interest of the Soviet people that we continue our ongoing efforts to ensure that the assistance or the aid that Canada and indeed other western governments give to the U.S.S.R. gets to the areas where it is most needed. To this end we are co-ordinating efforts closely with our G-7 partners.

Concerning Chernobyl, we have pledged a million dollars for relief projects. Of this amount $500,000 has been given to fund the construction and operation of a clinic for children suffering from radiation illnesses, and $500,000 has been dedicated through UNESCO to funding research into the effects of radioactivity on humans.

The Government of Canada will remain committed to supporting the Soviet people along with their difficult path to a fully democratic society. I want to say that while we have done a fair amount it certainly was brought to the attention of the G-7 through the Prime Minister and we will continue to support the U.S.S.R.

TRADE

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I am pleased to rise tonight to discuss in the short time allotted to me a question which I asked the Deputy Prime Minister on October 3, 1991. It concerned Canada's announcement of its intention to terminate the memorandum of understanding on softwood lumber exports to the United States effective October 4, 1991. I asked what contingency plan the government had to counter the inevitable American retaliatory action.

We all know that the memorandum of understanding on softwood lumber was never meant to be a permanent measure, yet it appears that the Americans do not know.

During the free trade debate this government told Canadians time and time again that we would get secure access to U.S. markets, and this is just one further example of how false this promise has been.

Now that the softwood lumber exports from Canada are under siege again, I can only assume that the Canadian government did not do its homework. Canada should win this decade-long dispute easily. Yet before the U.S. International Trade Commission in late November, Canada managed to take a good case and render it merely mediocre.

It has been reported that our representatives rambled on during the first round of the ITC meetings, getting everyone confused by giving a detailed description of the various species of wood and their uses. It fell on deaf ears.

Canada's case is simple and conclusive. Canada's lumber industry's share of the United States market has declined considerably from 33 per cent in 1985-86 to less than 26 per cent this year, reaching its lowest level in 13 years.

Between 1987, the year the memorandum of understanding came into effect, and 1991 the Canadian dollar has appreciated by 21 per cent, escalating from 72 cents in 1986 to roughly 88 cents today. The cumulative effect of our over-valued dollar and the 15 per cent export surtax have resulted in a total surcharge of about 36 per cent, thus driving down lumber profits and making Canadian lumber much less competitive in the U.S. markets.

The American interim bond posting measure will have the same impact as a self-imposed 15 per cent export surtax, not to say a self-inflicted wound which has yet to heal.

It is the recession, not the price of Canadian timber that is responsible for job losses in the U.S. lumber industry. B.C., Quebec, Ontario and other Canadian lumber producing provinces are not making any money in today's market, even with the allegation that our industry is being subsidized. Some 29,000 Canadian lumber industry workers have been laid off across the country since the inception of this MOU.

Since I was elected I have continuously pressured the government to seek a ruling from GATT. It has waited until November of this year to do so. Why a delay of three years? In the meantime the industry has lost its markets and it will be difficult to recoup them.

Therefore to conclude, I call upon this government to polish its presentation to the ITC and to insist that the Americans respect the spirit of the free trade agreement. The viability of this most important industry is at stake.

[*Translation*]

Mr. André Plourde (Parliamentary Secretary to Minister of International Trade): Mr. Speaker, I am answering this question concerning the measures taken by the government following the United States' decision to launch an investigation on the imposition of countervailing duties on softwood lumber and to require an interim bond for softwood lumber imported from Canada. From the beginning, we urged the United States Department of Commerce to exclude the Atlantic provinces from the investigation on countervailing duties. I am glad that it agreed.

We asked it to exclude Manitoba, Saskatchewan, the Nortwest Territories and the Yukon as well. Finally, the Commerce Department has restricted its investigation to the procedures for setting provincial stumpage rights, while in 1986, it examined 60 federal, federal-provincial and provincial programs and practices related to lumber.

In this case, our government's priority is to develop the best possible defence, in close co-operation with the provinces and the industry, to prove that U.S. allegations about subsidies are unfounded.

We have retained the services of a lawyer in Washington. The main provinces involved and the industry have retained an American lawyer to defend their interests.

Counsel for the government has maintained constant liaison with counsel for the provinces and the industry, ever since the United States started its investigation with a view to applying countervailing duties. So far, co-operation has been excellent.

We shall of course exercise all the rights we have under the free trade agreement. If necessary, we will appeal all unfavourable decisions to the binational dispute settlement mechanism provided under the agreement, an option that was not available in 1986.

Our government has also asked GATT to protect the interests of Canada. We have asked for the appointment of a special task force to determine whether stumpage rights imposed by a government constitute a subsidy that could be subject to countervail and whether the interim bond posting demanded by the United States conforms to the obligations the U.S. has under GATT.

In concluding, Mr. Speaker, we are determined to defend our case to the very end, and we are confident that normal conditions for the lumber trade between Canada and the United States will be restored.

[*English*]

The Acting Speaker (Mr. DeBlois): On a point of order, the hon. member parliamentary secretary.

Mr. Shields: Mr. Speaker, as you will recall after the first interjection the parliamentary secretary for agriculture was not here. He is now here. Perhaps he could read his response.

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

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): I give the floor to the hon. Parliamentary Secretary to the Minister of Agriculture.

AGRICULTURE

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I do apologize for the slight mix-up that we have had. I understood that this question was going to be about number four or five. I do apologize for not being here.

The government recognizes that the commodity prices are at a near record low and that many farmers are experiencing real difficulties. I want to say that our Prime Minister, our Minister of Agriculture, our Minister of State for Grains and Oilseeds and our Minister of State for Agriculture are all very concerned, as are this caucus and this party very concerned about the state of agriculture. I think it would be fair to say that all members of this House of Commons equally share the concern that we and our producers are facing across this country.

The government certainly knows the importance of agriculture to our economy. That is why we have listened to farmers' concerns and why we have acted.

On November 21 this government announced details of the distribution of $800 million in special assistance to Canadian farmers. This money is in addition to the $640 million announced in April through the farm support and adjustment measures. The second round of the

FSAM program will put some much needed cash into the hands of Canadian farmers before spring seeding.

Together, FSAM I and II will make available $1.4 billion in federal transitional assistance until the GRIP and NISA programs fully kick in.

The bulk of the recently announced money will go to grains and oilseeds producers. They will receive $700 million, paid out in two instalments with the first going out within a month or so. The remaining $100 million will be shared by the horticulture producers, the maple syrup industry, mink and fox fur ranchers and honey producers.

The government continues to support Canadian farmers as it has in the past. Since 1983, and we have said this many times, government spending on agriculture has increased by 650 per cent. In 1986 this government provided farmers with $1 billion under the special grains program. In 1987 another $1.1 billion was made available under the same program and there was another $850 million under the drought assistance program and $500 million under the special income assistance program for 1990.

The Government of Canada has demonstrated by both word and deed that it is prepared to stand by farmers during this difficult time. We understand their situation and we are responding.

We could go on and talk at length about this, but we are committed to the future of agriculture in this country. We have stood by farmers in the most difficult times. We will be there when they need us and we will be there for the future.

IMMIGRATION

Mr. Tom Wappel (Scarborough West): Mr. Speaker, in the minister's response to my oral question of October 31, 1991, he made reference to refugee camps and internment, planting the innuendo that either I or my party advocate what his junior minister, the member for Rimouski—Témiscouata, has characterized as concentration camps.

This innuendo arose out of an article which appeared in *The Ottawa Citizen* on October 24, 1991. The story later appeared in one form or another in many newspapers in the Southam chain.

The story referred to a proposal for refugee work camps which were stated to be a part of an immigration discussion paper which I had written.

The impression is false, because the minister relied not on the facts but on the article. It has thereby cast aspersions on me and my party. Because others across the country have jumped to false conclusions based on a distorted article, I want to set the record straight.

The leader of my party requested that I prepare a paper on immigration. Its purpose was to generate discussion about all aspects of immigration in order for us in the Liberal Party to work toward a just and compassionate immigration policy for the nineties and beyond.

I did as I was requested. My preliminary paper is 71 pages long and contains over 30 recommendations for discussion. I submitted my paper to the appropriate caucus committee in accordance with established party procedure. Thus out of 81 of my colleagues I gave the paper to only 9. To this date I have not given a copy to any other person in my caucus. Why? Because as immigration critic I am voluntarily bound by the rules and procedures Liberals have adopted for the examination and debate of discussion papers. My paper is still at the preliminary discussion stage at the appropriate committee level.

My paper was leaked by a person or persons as yet unknown to *The Ottawa Citizen*. It was then again leaked later to both the *Toronto Star* and *Maclean's* magazine. The reported stories grossly distort the few recommendations talked about and use inflammatory words not found anywhere in my paper.

However, I have steadfastly refused to discuss publicly the contents of my paper until it passes through the procedures set up by my caucus and until all 72 of my Liberal colleagues who have not yet even seen the paper have the chance to read it. However, the reporters who have possession of my paper are under no such self-imposed restrictions. Even though the media is not prepared to print my own words unedited so that Canadians can draw their own conclusions, surely the journalists are prepared to provide Canadians with a copy of my paper if they call and ask. I will now provide the minister and Canadians with the names and telephone numbers of the journalists who have personally told me that they have a copy of my paper. If they send it to you, you can read it yourself and make up your own minds. While you are

talking to them, ask them the name of the person or persons who gave them the paper.

The names and telephone numbers are: Iain Hunter, *The Ottawa Citizen*, 613–232–4885; Paul Watson, *Toronto Star*, 416–869–4424; and Cecily Ross, *Maclean's* magazine, 416–596–6061.

Please, my fellow Canadians, never assume that what is reported is accurate. Find out the true facts for yourselves. You now know how. It is up to you.

Mr. Jack Shields (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, my hon. friend for Scarborough West had asked a question on October 31 and is on the late show because of that question.

He did address something entirely different. I would like to say that I empathize with him. I know how unfortunate it can be when you are misquoted or remarks that you make are taken out of context. They then take on a life of their own.

I have worked in committee with my friend for Scarborough West. I have found him to be the type of individual I would be proud to serve on any committee with, particularly on the employment and immigration standing committee. I find that he has real empathy for people and a real empathy for the kinds of problems that we face with our immigration policy. He gives very constructive ideas and criticism where is it warranted and praise where that is also warranted.

I just want to say that I am sure with his remarks tonight we now can put that little rumour, the police cap, to bed. I want to assure my hon. friend that we will take this completely as he stated in the House. It is something that all of us understand.

We all at times do get into problems like this. We want him to know we empathize. It will blow over and we certainly will not hold him accountable for what the press has said.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m, pursuant to Standing Order 24(1).

The House adjourned at 6.27 p.m.

HOUSE OF COMMONS

Wednesday, December 4, 1991

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

AUDITOR GENERAL

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I am rising today to implore the federal government to implement at least one of the recommendations of Canada's Auditor General. The government should immediately start giving taxpayers a score card on how we are doing in working to eliminate the deficit. Telling Canadians what our financial position is just once a year in a budget is not good enough. People paying high income taxes, business taxes, sales taxes, user fees, payroll taxes and surtaxes deserve a monthly or at least quarterly accounting. The government has to give us some hope that there is light at the end of the tunnel, that the deficit will be reduced to zero in so many months.

The Auditor General is right on this one and the Minister of Finance would do well to listen and then to take action.

* * *

[*Translation*]

UNEMPLOYMENT

Mr. Phillip Edmonston (Chambly): Mr. Speaker, unemployment keeps rising in Quebec. In the riding of Chambly, Aliments Terra has closed its doors, resulting in 200 lay-offs. On January 3, Angus will close down in east Montreal, which means another 3,000 jobs lost. Joint action by governments is urgently needed to breathe new life into the economy of Montreal.

Last week's announcement, a pitiful $32 million per year for five years, is nowhere near being the kind of serious joint program we need to help the economy in Quebec.

The government must realize it has a duty to get involved in the recovery of Quebec's economy. I would ask all members of this House to do their homework before they get involved in this kind of discussion so they can make a constructive contribution to the debate. This is not patronage. It is a matter of elementary justice and common sense.

* * *

[*English*]

FORESTRY

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I want to speak today about Canada's most important industry, northwestern Ontario's most important industry and Thunder Bay's most important industry.

Forestry is this country's single largest industry. It generates over $40 billion a year in sales. It accounts for about $20 billion yearly in export sales, all in U.S. funds. More than 800,000 Canadians are employed directly by this industry and 8,000 large and small businesses are directly involved in the forestry industry.

This industry is in serious difficulty today and government intervention is needed badly. What we need is a de-inking and recycling of facilities throughout this country. The future of Canada's industry and northwestern Ontario depends on being able to supply recycled products to all of our customers.

This government must act now before Canada's major industry is all but shut down.

* * *

SISTERS OF THE ASSUMPTION

Mr. Willie Littlechild (Wetaskiwin): Recently the Sisters of the Assumption celebrated 100 years of dedicated service to the people of the Four Nations of Hobbema in my constituency and also in western Canada.

I quote in part from a poem of thanks by Linda Cutknife:

—these Sisters have watched the community of Hobbema grow
From rags to riches
They have shared our happiness and our pain.
They were with us when we buried our people in tragic times,
They offered us prayer and goodness
when we thought the world had gone insane. . .
We will never forget these Sisters
Who were sometimes our mothers, our friends, our teachers
or whatever we wanted them to be.
They taught us how to pray to God,
How to talk to Jesus as a friend,
And they told us the story of how Jesus died
so that we could be free—

In the spirit of national unity, I ask this House to join me and all my constituents in thanking the Sisters of the Assumption for all they have done to build a great nation.

* * *

AIR TRAFFIC CONTROLLERS

Mr. George Proud (Hillsborough): Mr. Speaker, I am appalled to hear reports that the federal Department of Transport is considering the withdrawal of air traffic controllers from Charlottetown and 12 other airports across the county.

The reports suggest that the controllers may be withdrawn as early as February of next year.

• (1410)

Some 30,000 flights a year use the Charlottetown airport, and those people are entitled to the same level of service as enjoyed in the rest of the country.

The continual erosion of services in the outlying areas of this country shows us that this government is trying to fight its deficit problems on the backs of the poorest people and in the poorest regions of the country.

I call on the Minister of Transport to reject this recommendation and to assure Canadians in smaller centres that the level of service will remain the same for them as for other Canadians.

* * *

CANADIAN HORSE

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I rise on a matter of importance to a number of constituents in the Cambridge area.

The Canadian horse is a national breed and is now endangered. There are approximately 1,100 in existence and of these 700 are 100 per cent pure. The Canadian horse is part of our heritage and was proclaimed the national breed by Parliament on March 17, 1909.

To promote the Canadian breed, to commemorate its place in our history and to remind Canadians of our natural heritage, the constituents of Cambridge would like to see a stamp series produced to honour the breed of horse known as the Canadian.

I ask that serious consideration be given to having the Canadian horse breed honoured by a stamp.

* * *

CROATIA

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, "The Situation in Croatia", a report prepared by 11 of the 12 monitoring delegations, has overwhelmingly substantiated the charges that have been levelled against the Yugoslav army: targeting the sick, killing children, bulldozing villages.

Innocent civilians are clearly being confronted by an army run amok. How much longer is the international community going to stand aside? Where is the new world order that was supposed to be dawning but a short time ago?

The question is: Are we doomed forever to replay history? The answer must be no. The United Nations must take action. There must be a military interposition between the Yugoslav army and those who are being brutalized.

There must be a massive transfer of humanitarian assistance. The international community must rise to the challenge before it and Canada, if we are to be true to ourselves, must take the lead.

SYRIAN JEWRY

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, yesterday the Canadian Parliamentary Friendship Group for Syrian Jewry was formed. Our group has Conservative, Liberal and New Democrat representatives who are deeply concerned about the plight of Jews in Syria.

Today I want to bring this grave situation to the attention of my colleagues in the House and all Canadians.

There are 4,500 Jews in Syria who are being denied the right to leave oppressive Syrian rule.

[*Translation*]

Jews living in Syria have been deprived of their basic rights. They cannot emigrate. They cannot travel freely and they cannot vote. They are jailed and tortured. Their correspondence and telephone conversations are censored, and their activities are watched very closely.

[*English*]

We must work together to ensure for all Syrian Jews that fundamental human rights are guaranteed, including their safe departure from Syrian oppression to freedom.

* * *

FISHERIES

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, fish plants in Glace Bay and Louisbourg are vital to our local economy.

The federal government should explain why it decided to increase cod quotas around Cape Breton Island for the French metropolitan fleet from St. Malo, France, in the past year and to cut cod quotas for Canadians.

The federal government should also withdraw a commitment given to France that it can catch 60 per cent of its entire year's cod quota around Cape Breton Island in the first three months of 1992.

Not only have the cod quotas been increased for France around Cape Breton Island, but foreign nations like Bulgaria and Poland have been given so-called experimental licences to catch mackerel, with 30 per cent by-catch of capelin in the Sydney Bight in the past year.

The federal government has systematically destroyed the cod fishery around Cape Breton Island and in the gulf by issuing licences to Cuba to catch squid along the Nova Scotia coast and the U.S.S.R. to catch capelin. Both species are the food supply of the gulf cod stock.

Not one tonne of fish should be taken from Canadian quotas while Canada gives one ounce of quota to foreign nations around our coast.

* * *

CROATIA

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, in a special report signed by 11 out of 12 European community members monitoring delegations, the Yugoslavian army is accused of deliberately targeting civilians, hospitals and schools in Croatia.

The report states these acts are brutal and have proven effective in terrorizing the people of Croatia. The report of last week entitled "The Situation in Croatia" condemns the Serb dominated Yugoslav force as a "cowardly army fighting no recognizable principle, but largely, instinctively for its own status and survival".

The report recommends that the 12-nation European community intervene militarily and punish the Yugoslav federal army. I believe we should go one step further. We must announce to these self-serving Communist officers of the Yugoslav army that a war tribunal will be set up to try the officers of either army who have committed war crimes.

The barbaric attacks and bloodshed against Croatians must end.

* * *

CROATIA

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, last night I joined the Ukrainian Canadian community on the steps of Parliament in celebrating the independence of Ukraine. Today on those same steps over 2,000 Croatian Canadians were asking their government why Canada and the world continue to refuse to recognize the independence of Croatia after 94 per cent of the people of Croatia and Slovenia voted for freedom and nationhood earlier this year.

A European community report just released accuses the Yugoslav army of targeting civilians, hospitals, and schools in Croatia in an effort to terrorize the population.

While Croatia must of course fully respect the rights of the Serbian minority, it is those of the Croatian majority who are being brutally denied. Canada must urge the United Nations to immediately intervene to stop the bloodshed. Canada must provide desperately needed humanitarian aid directly to the people of Croatia, and Canada must end its silence and ensure that the will of the people of Croatia and Slovenia for freedom, democracy and independence is realized at last.

* * *

UKRAINE

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, on December 1 the world watched a remarkable event unfold in Ukraine: the decision by a freedom loving people through a democratic process to join the world community as an independent nation.

Our Prime Minister realized the importance of this moment immediately and recognized the birth of the new republic of Ukraine.

The London Ukrainian community joins the chorus of millions around the world congratulating the Prime Minister and Canada. Congratulations, Prime Minister, for again demonstrating the kind of leadership Canada is renowned for throughout the world.

Will the Prime Minister exercise his bold leadership once again and now recognize the republic of Croatia?

* * *

[*Translation*]

QUEBEC'S ECONOMY

Mr. Nic Leblanc (Longueuil): Mr. Speaker, last week the federal government announced it would give Quebec $160 million over a period of five years. This means $32 million per year, or $5 per person per year in Quebec. It is not enough, considering the damage done to Quebec's economy by federal policies.

Furthermore, the critical comments of the New Democrats and Liberals were biased and inappropriate. Did Quebecers criticize the fact that the government sent $800 million to Western Canada? No, Mr. Speaker. Quebec merely wants its fair share of the taxes it pays to Ottawa. It does not want handouts and it only wishes it could keep all its tax money and spend it according to its own priorities.

* * *

[*English*]

ORGANIZATION OF ECONOMIC CO-OPERATION AND DEVELOPMENT

Mr. René Soetens (Ontario): Mr. Speaker, I am happy to inform the House today of developments this week at a meeting of the Organization of Economic Co-operation and Development, the OECD, in Paris.

The Minister of State for the Environment, led the Canadian delegation, was vice-chair of the meeting. The theme of this important meeting of environment and development ministers of the 24 member countries of the OECD was a partnership for sustainable development.

On Monday the Minister urged her colleagues from the OECD countries to work to develop new global partnerships to achieve sustainable development.

Canada is well positioned to lead in partnerships with private sector organizations, business, industry, labour, educators and institutions.

The central position and prominence of the OECD as an institution and of its member countries will cast it in a number of key roles leading up to the United Nations Conference on Environment and Development and beyond. Canada will continue to be active and committed to these initiatives.

Mr. Speaker: I wonder if I could have the attention of the House for a moment.

As some hon. members know, for many weeks now on Wednesdays I have been coming in early so that prayers could be taken in time to begin Statements by Members exactly on the hour.

I cannot go ahead unless we have a quorum. I have sent messages. I am asking all hon. members to ensure that there is a quorum a few minutes in advance so that no hon. member is deprived of his or her wish to make a statement during the 15 minutes of statements and I really do need the co-operation of all hon. members.

ORAL QUESTION PERIOD

• (1420)

[*Translation*]

THE ECONOMY

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I have a question for the Acting Prime Minister. Yesterday the Prime Minister met the premier of British Columbia who became the fifth provincial premier to call for a first ministers' conference on the economy. We also heard that Premier Bourassa of Quebec said he would be willing to attend such a conference, if it were likely to produce positive results.

As we see now that provincial premiers representing the three main political parties in Canada are ready right now to meet the Prime Minister to discuss economic problems, why does the government refuse to hold such a conference which might find a way to get out of this unending recession?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the Prime Minister will not refuse a meeting with the premiers. He already met with some premiers last week and other meetings are scheduled for the coming days. A meeting with the premiers to consider the economy is possible.

[*English*]

The Prime Minister said yesterday that he would be reflecting on the advice of the finance minister who will be meeting with the provincial finance ministers on December 11 and 12. He will be reflecting on the views that have been expressed to him by the premiers with whom he has been meeting.

The Minister of Finance said in the scrum yesterday: "If he thinks a meeting would be beneficial, I would be happy to call it".

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to ask a question of the minister again. Yesterday the Prime Minister made a speech in Vancouver and he said, among other things, that "Canadians are going to have to fish or cut bait" about the future of Canada.

I agree entirely with the Prime Minister. But if the Prime Minister really believes, as I do, that all Canadians must have the chance to say yes to Quebec and to say yes to Canada, why has he pulled the plug on the proposal that I made in good faith to have a national referendum where all the people of Canada can vote on the future of this country?

[*Translation*]

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, according to Canadian Press, the Prime Minister said in Vancouver yesterday that the Speech from the Throne promised consultation with Canadians. The Speech from the Throne does not say what form that consultation will take. We are still looking at the various options. We have not ruled any out. But we are honouring that promise made in the Speech from the Throne.

[*English*]

Perhaps the Leader of the Opposition missed the response yesterday by my colleague, the Minister responsible for Constitutional Affairs, to the member for Annapolis Valley—Hants, but he made it abundantly clear, as has the Prime Minister, that all options remain open.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to put a question to the minister who is replacing the Minister responsible for Constitutional Affairs. Would the government not be prepared right now to clarify the situation and to make people understand that what we want is a double majority referendum, where every region of Canada—the Atlantic, Quebec, Ontario and the west—could say yes to Quebec and yes to Canada at the same time? Why does the government not propose such a solution immediately since no one knows exactly what the government wants to do, which is creating confusion, and since it is high time to find a positive solution to save this country?

[*English*]

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, as the hon. Leader of the Opposition points out, he and his party have locked themselves into the position that there must be a referendum on a particular formula. What the Prime Minister and the Minister responsible for Constitutional Affairs have indicated is that we favour the broadest possible constructive consultation with Canadians. I put the emphasis upon constructive, in that any action that we take must be one that helps to unite Canadians and not to divide them or to polarize them.

It is incumbent on all of us on all sides of this House to do what we can to bring Canadians into the process, to solicit their participation and to do what we can to unite Canadians, not to put barriers between them.

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CANADA POST

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Acting Prime Minister.

The minister will know that Canada Post employees in London, Ontario are routinely asked to use someone else's name and social insurance number to do contract work for the post office after working hours.

Given that this action by Canada Post contravenes the Canada Labour Code, the collective agreement, the Income Tax Act and probably many other statutes of Canada, when did the minister find out about this practice and what has he done to stop it?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the hon. member should know that Revenue Canada, through its matching programs, will identify any such potential problems or inequities that exist. We found out about those in recent days. We are currently investigating the matter to the best of our ability.

Upon the conclusion of the investigation, appropriate action will be taken. Every step to protect the individual is being taken at this present time.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the culprit here is not the employees in question. They were counselled by Canada Post and Canada Post has admitted to this publicly.

I have in hand here a cheque which was given to Mr. Mike Bellemy and the cheque is made to his mother, Audrey Bellemy, a senior citizen.

[*Translation*]

I want to ask the minister opposite what action the government will take not to punish employees but to reassure Canadians that Canada Post obeys the law?

[*English*]

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, first of all, if the hon. member or any other member has any additional evidence to give to us, we would be happy to receive it and include it in the ongoing investigation.

I repeat to the hon. member and to Canadians who are affected by this situation that a matching program after the fact does take place and appropriate action will be taken. In any event, if the hon. member has any additional information I would be very happy to look at it.

* * *

[*Translation*]

THE ECONOMY

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

The Leader of the Opposition continues to talk about a referendum on the Constitution and the Prime Minister speaks of public consultation. But the country's future is not just the Constitution. You need only listen to people. The real problems are finding work and the economy.

This government's economic record is a complete failure. When will this government hold the only national referendum that really counts; when will the government call an election?

Some hon. members: Hear, hear.

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, in due course.

Hon. Audrey McLaughlin (Yukon): A supplementary question, Mr. Speaker.

The previous minister spoke about the broadest possible consultation. There is one form of broad consultation and every indication says that this government has failed in every part of this country and especially on the economy. When the government stood up in the past and said it was on the right track, we have to ask who it is speaking for: the banks that had a billion dollar profit or the $27 billion in corporate taxes that were not paid?

Who is the minister listening to because he is certainly not speaking for those Canadians who want full participation through an election? When will the government call an election for that full participation?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, this type of political game does not amuse Canadians. What Canadians are looking for is consultation about the economy and that is precisely what we are engaged in with the prosperity initiative that is having meetings in communities.

I had a meeting in my hon. friend's community and I would say to her that it was a very successful meeting. People came out to that meeting, gave their views on how we should deal with international markets, how we should deal with training, how we should deal with technology and how we get investment to produce jobs in communities such as hers. It is that type of dialogue among Canadians that is going to generate the change of attitude that is necessary within the country.

• (1430)

Mr. Speaker: I think we should move on.

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

What Canadians want is action. Canadians are not getting action on the economy and they are not finding jobs. Today Statistics Canada reported that the number of jobs available has not changed from last month and in the last year the number of jobs available across this country has gone down from 12 per cent to 26 per cent. It means fewer jobs are available for Canadians.

The kind of action Canadians want is action on the economy and they want this government to do something. Every indication is that this government will not take—

Mr. Speaker: I wonder if the hon. member would put her question, please.

Ms. McLaughlin: The government will take the action and so I say to the minister responsible: Will the government call an election and stand up and ask the people for their real opinion?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think the fact that interest rates have come down over 6 percentage points since May of last year indicates action on the part of the government.

My hon. friend talks about the need to create jobs. There have been 101,000 jobs created since February of this year. So jobs are being created.

My hon. friend talks about what is happening in the economy. Housing starts have been above 150,000 now for six or seven months. They reached 200,000 one month during the summer. So things are changing.

Mr. Speaker: I think we are going to have to move on.

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CROATIA

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I would like to raise two very compelling international matters with the Secretary of State for External Affairs.

First, the European community monitoring group has reported that violence against Croatians persists and that measures taken to stop the random terrorism of the Yugoslav army have failed.

I want to ask the Secretary of State for External Affairs, on behalf of Canada: Will she call for an immediate emergency meeting of the security council to ensure the UN force will be sent right away to protect the lives of Croatian civilians?

Second, will she personally meet with foreign ministers of the European community to discuss the intention and the timing of their recognition of Croatia and Slovenia?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, first of all it is very important that we all recognize the horror of what is going on in Croatia and in other parts of Yugoslavia.

I have been in touch with our ambassador at the United Nations. I was in touch with him this morning. There is a security council meeting to receive a report from Cyrus Vance on his return from Yugoslavia. He is expected to be in New York tomorrow. He is spending another day in the region in a further attempt to ensure that the cease-fire holds. He and his number two man are in Croatia, in Zagreb.

I have also spoken to our own ambassador in Yugoslavia and instructed him to seek permission from the Croatian authorities to visit Croatia himself and report directly back to me. I should say that no foreign ambassador located in Belgrade has visited Croatia, partly at the request of the Croatian authorities. Therefore, I have made this a personal message from myself to the Croatian authorities via the ambassador and I want a report back from him directly.

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HENRIETTE HADDAD

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, perhaps the minister should consider sending a special delegation to Croatia to examine the situation.

I also want to ask this question. On both sides of this House and throughout the country we all welcome the release of western hostages with one exception. A Canadian, Mrs. Henriette Haddad, is still being held hostage after six years of detention without much hope of being released.

I want to ask the minister why she personally has kept silent on this issue. Why has the Canadian government not had Mrs. Haddad put on the list of UN hostages that are being negotiated? Will she take action immediately, while there is still time, to have Mrs. Haddad become part of a deal involving western hostages who are to be freed this week?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, we have discussed Mrs. Haddad with the United Nations. My chief of staff has met with Mrs. Haddad's family. I should say that Mrs. Haddad's son visited a member of Parliament in 1985 about his mother's disappearance and then again in 1987. He was not in touch with us again until this year, even though we had searched for Mrs. Haddad through all our known connections, including terrorist organizations.

No organization in Syria or in Lebanon or in any other part of the region has come forward and said that it is holding Mrs. Haddad despite our efforts to locate her and to discuss—

Ms. Copps: Put her on the list.

Mrs. McDougall: I sometimes wonder if the hon. member really does care about this.

We have followed this up with the United Nations. We have followed this up with all of our contacts through Syria and Lebanon and indeed through the groups that are known to hold hostages. There is absolutely no trace of Mrs. Haddad that we can find and we are continuing to pursue it.

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AUDITOR GENERAL'S REPORT

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my question is for the Associate Minister of Indian Affairs and Northern Development in the absence of the minister.

The Auditor General's report states that this government has never increased funding for aboriginal housing despite an increase in the aboriginal population three times the national average.

Will the ministers quit avoiding and neglecting their responsibilities and will they act by providing now the funding so desperately needed for aboriginal housing?

[*Translation*]

Hon. Monique Landry (Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I was asked a similar question yesterday by a member of the NDP, and it will of course be a pleasure to give the hon. member the requisite information. We realize that aboriginal communities have tremendous needs in terms of housing. Our investment in this area has already been very substantial, and yesterday I quoted some rather impressive figures which reflect this government's commitment to helping improve aboriginal housing. The government has spent between $120 and $140 million annually, and so far 3,000 new houses have been built. Funds have also been made available for the renovation of another 3,000 to 4,000 houses.

That being said, we realize that we are scarcely meeting the demand. As the hon. member probably knows, we are involved in discussions. A report was produced by the department, and aboriginal communities are now examining the report. We are developing a new policy with these communities so as to respond more effectively to their very urgent needs.

[*English*]

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, before I continue with my supplementary I should say that whatever way we cut it, there is a 10,000 housing shortfall for the aboriginal people and that is from Auditor General, not me.

My supplementary question is for the associate minister of Indian and northern affairs. Education, as she well knows, is fundamental to the future of aboriginal Canadians. The federal government is obligated to meet the educational needs of all aboriginal students.

How can the minister justify capping the funding on post-secondary education to aboriginal people and how can the government refuse 5,000 students by creating a waiting list of those 5,000 students who have made it through high school, despite great adversity and through a very high drop-out list? How can the government justify this capping of funds?

[*Translation*]

Hon. Monique Landry (Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I believe this government has recognized how important education is to aboriginal communities. Although the hon. member may not be aware of the fact, I am pleased to say that we have tripled the amounts provided since 1984-85, and we have almost tripled the number of students who now reach post-secondary level. We have increased our funding, and this year the budget for this category is $190 million and will increase to $242 million in 1995-96. We are also reviewing the problem that although all class I and class II spaces have been filled we realize that some students may have been left out. We will try to deal with this problem as soon as possible.

[*English*]

CANADIAN NATIONAL RAILWAYS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of State for Transport.

Media reports in Winnipeg suggest that the government's own CN has a plan to ship grain and potash, bypassing Thunder Bay and the seaway, through Fort Frances and Windsor through U.S. rail links. This plan, if adopted and allowed to go ahead, will mean the beginning of the end of the port at Thunder Bay, the seaway and a number of ports in the province of Quebec.

I want to ask the Minister of State for Transport: Will she instruct CN to cease and desist?

• (1440)

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, I share my hon. friend's concern about this, but I want to reassure him that there is no plan to ship grain through the U.S.

As he says, it was speculation. It is not true that there is no shipping of grain through those ports. It will continue to flow through Thunder Bay.

Mr. Iain Angus (Thunder Bay—Atikokan): I have a supplementary question for the same minister, Mr. Speaker. I know that CN denies the existence of this plan, but it has denied the existence of other plans that have come true in the past.

As the holder of the shares in this Crown corporation the Government of Canada has the right to instruct CN not to develop any plans to bypass any Canadian ports in the movement of grain, potash or any other commodities. Is the minister prepared to take the responsibility on behalf of the people of Canada?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, I take my responsibility to the people of Canada very sincerely. CN has already advised the port officials at Thunder Bay that it has no plans to do this so there is no need for me to order it.

[*Translation*]

SECRETARY OF STATE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is for the Secretary of State, but in his absence I would like to direct it to the responsible minister. The Auditor General of Canada was very critical of the process of contracting out translation in his department. It seems that 42 per cent of current translation requests are contracted out, and that by 1994 this percentage could be as high as 50 per cent.

The quality of translation is also criticized by the Auditor General, who says that the ability of the Department of the Secretary of State to manage its human resources is poor. My question is very straightforward. Does the government intend to take action as soon as possible to deal with the problems raised by the Auditor General? Will it set clear and precise management objectives for the practice of contracting out translation? Or, is it about to dismantle the Translation Bureau and sacrifice it on the altar of privatization? That is my question.

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): No, Mr. Speaker. We intend to keep this essential service, and it is an excellent one. Yes, we have started to take action, and I can say quite frankly that the department has accepted the recommendations and is quite pleased with them. It has already set up a task force that is to start on a complete and comprehensive review of the operations of the Translation Bureau. I am told that by next spring there will be a new plan on the basis of which a comprehensive strategy will be implemented for this service.

[*English*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): I have a supplementary question, Mr. Speaker.

The Auditor General has said that the contracting of translation services are badly managed. That is a serious accusation. He says that the government has lost a lot of talented employees, that the work climate is not good, that the morale is very low, and that there is a drop in the over-all quality of translations.

Canada with two official languages must have quality translation. As the percentage of translation done by the private sector is expected to rise to 50 per cent by 1994, what measures will the Secretary of State undertake to solve these problems of subcontracting translation services to people outside the Public Service of Canada?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, on behalf of the minister who is away on government business today, I indicated that the department agrees with the recommendations of the Auditor General. I also indicated that it has already undertaken a number of very positive measures that will definitely propose new ways of delivering the service.

As far as the morale, I think it is a group that has performed brilliantly. It has given excellent service. It does translation service in perhaps 60 languages, from what I remember in my stay with that ministry.

I think this new little team that has been doing its analysis and work has been very well seen by those members. We certainly will do everything we can to protect the service that has been in place for 57 years.

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CANADIAN NATIONAL RAILWAYS

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my question is for the Minister of Transport.

Six and a half years ago the Minister of Transport stated in this House: "This government has no intention of downgrading the role of Winnipeg as a transportation centre and as an important part of the CNR".

Since that commitment was made—I use the word "commitment" loosely in this case—Manitobans have lost approximately 2,000 jobs, most of which were lost at the Transcona shops in Symington Yards.

With further reports that there could be as many as 1,300 other jobs cut throughout Canada, many which will be in Manitoba, when will CN management and this government stop bludgeoning the Manitoba rail worker?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, CN does have a mandate to act fiscally responsible and build a railroad that will continue to serve the people across this country. It has to make certain decisions in putting its fiscal plan together.

The article in the Winnipeg newspaper at this time is speculative and I do not think we should comment on it any further at this time.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my supplementary question is for the same minister.

Four years ago the government made another commitment, this time to maintain Winnipeg as a rail transportation hub. No wonder people are nervous: all these commitments.

Since then we have seen approximately 250 rail jobs that have been lost, quite apart from the 2,000 CN jobs that I just mentioned. Some 1,000 of those jobs were lost during the last three years.

What is the whole agenda here? Why the secrecy? Why a little bit at a time? When will we know the total plan? When will the rail workers know where they stand?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, the hon. member should be a bit careful when he talks about Winnipeg as a rail hub, because it is.

Manitoba has the largest number of CN employees outside Quebec of any other region of the country, which is where CN is headquartered. Manitoba originates 8 per cent of the rail traffic and has 44 per cent of the employees.

In criticizing CN, they had better be careful that they do not leave the impression that CN is not welcome in Manitoba, because it is a very important part of Manitoba. It has the largest switching yard, the Transcona shops, and the train locomotives at Gimli. It is and will continue to be a very important employment generator for Manitoba.

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INDIAN AFFAIRS

Miss Deborah Grey (Beaver River): Mr. Speaker, I would like to direct my question to the minister responsible for native affairs or whoever is representing him today.

In 1991 various departments spent an estimated $4 billion on basic services to the native community. According to the recent Auditor General's report, the Department of Indian Affairs and Northern Development does not have assurances that these moneys are used for the purpose intended or managed with maximum efficiency. The same is true in the Department of Agriculture.

What course of action is this government pursuing in order to ensure that aboriginal people, farmers of Canada, are receiving the highest quality and most cost efficient services available?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, the hon. member refers to the Auditor General's report which put forward some questions about the expenditures, over $11 billion expended by the government on behalf of taxpayers to assist farmers.

I say to her that I know the policy of the party she represents: that farmers will have to do with less, that farmers will have to be part of the 15 per cent of the over-all reduction in government expenditures that her leader is putting forward, and that her leader has put forward a statement that the Government of Canada should trade off the interest of western grain exporters against the interests of those who operate supply managed industries in central Canada, Ontario and Quebec.

I say to her that this government represents all of agriculture. If the member really wants to know whether the expenditures that have been made have been efficient, she should ask the producers who received them.

Miss Grey: Mr. Speaker, we are not talking about dollars and cents here. We are talking about the efficiency of programs that are in place and what long-term goals in terms of accountability this government has.

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TRUCKING INDUSTRY

Miss Deborah Grey (Beaver River): I turn to another subject now and ask the transport minister a question.

It has come to my attention that the Minister of Transport will be announcing a $2.7 million to $3.5 million grant to the trucking industry before this Friday.

• (1450)

I have been informed that many decisions involving this grant have been made without consultation from important members of the trucking community.

We are talking about handing out grants to the trucking industry when so many, the Alberta Construction Trucking Association for example, state that these moneys would be better served to pay down the debt.

Hon. Shirley Martin (Minister of State (Transport)): I am sorry, Mr. Speaker. I really did not hear a question at the end of that statement, but I can tell the hon. member that we have been working with all representatives of the trucking industry for over a year now to come to plans that will indeed strengthen the industry and make it more competitive in the future, and we are continuing to work on those plans.

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TREASURY BOARD

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the President of the Treasury Board.

Yesterday the Auditor General criticized the government for the way that it used public sector pension funds to finance the deficit. He estimated in fact that the loss to public sector pension funds was a billion dollars per year.

I want to ask the minister if he will guarantee in the legislation he is talking about bringing forward that public servants will not be asked to make higher contributions or accept lower benefits as a result of the billions that the government has taken from their pension assets over the last 30 years.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I do not know if the hon. member has been sleeping all these years but the integration of this fund with Treasury has been there since 1954. He wakes up because the Auditor General said that if we had invested the money on the market we probably would have got a little more money. But we would have to borrow the equivalent amount outside thereby increasing the interest and costing Canadian taxpayers more money.

ROYAL CANADIAN MINT

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, my question is for the minister answering for the Royal Canadian Mint where public service workers have been on strike for almost seven weeks now.

In the past the Minister of Labour has been asked in this House to appoint a mediator and he said that he could not do that without a request. The fact is that under the law he can appoint a mediator, and I am asking the government now to make the commitment that the Minister of Labour will appoint a mediator so that the people can get back to the bargaining table in this dispute and the strike in Winnipeg can come to an end.

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, it was unfortunate that last year the workers of the PSAC union turned down a 5.5 per cent offer. This year with times changed they have not accepted any of the offers and they have been going on a very slow strike, a few going out at a time.

At the present time there is no reason for the Minister of Labour to appoint a mediator unless at least one of the sides indicates it has an interest in that.

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COMPETITION POLICY

Mr. Pat Sobeski (Cambridge): Mr. Speaker, my question is directed to the Minister of Industry, Science and Technology.

Recently the Quebec provincial government announced an action plan to revitalize its current economic situation by setting targets toward economic renewal. There were no public consultations.

This minister and the Minister of Employment and Immigration announced a prosperity initiative with consultants fanning out across the country, visiting towns and asking local groups to sponsor these community discussions.

Recently Michael Porter released a report, *Canada at the Crossroads*, and told Canadians what to do.

Why is this minister continuing with this exercise? What does he expect to hear that he has not heard before? Why does this minister not just introduce his new policy platform on competitiveness?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think one thing that Canadians have told us very clearly is that it is important for us to consult on these issues in order to seek out their views on the range of matters that affect our competitive position.

What we are seeking here is not just a list of things for government to do or all governments to do, but a list of proposals for all stakeholders, all participants in the Canadian economy, whether it is government, management, labour, educators or scientists.

What we are hoping to do through these consultations is generate a broader understanding of the issues involved here, and through that broader understanding seek a change in attitude that will be supportive of the broad range of measures that will be needed in order to support science and technology, training, retraining, investment, how we do in domestic markets, and how we succeed in penetrating international markets.

Mr. Nowlan: A supplementary, if there is such a thing in this House. There certainly should be a supplementary to a government question.

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FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for the feisty minister of employment. I am sure he will want to acknowledge that the Atlantic fisheries aid package is being run in a very unfair way. For example, people who because of the disastrous fishing season were obliged to reactivate their old UI claims are being excluded from the aid package even though their claims are now running out.

I wonder if the minister would indicate what steps he is prepared to take, in the interests of fairness, to correct this very unfair situation?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I think the minister of fisheries indicated earlier this week that the program which was announced was being administered according to the rules that were laid down. He also indicated that there were some problems with some people with a long attachment to the fishery who were not qualifying.

The question of the hon. member does not allow me to know exactly what he is talking about. If he is talking about the plight of fishermen, it is difficult. That is why we have come up with this $57 million support program for fishermen. If the hon. member would care to be more specific, maybe I could help him.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I thought I had been very specific with the minister. People who are on claims which are now running out are being prevented on a technicality from qualifying under the program. I ask if he will take that under advisement to see if something can be done.

I have a supplementary question. Many people who have demonstrated a clear connection over the long term to the fishery are also being denied access to the program despite the utterances of his colleague, the minister of fisheries. They are being denied because they do not happen in this year to have sufficient insurable weeks.

Will he undertake to review the program's guidelines so that the people who really need this assistance this winter get it while there is still time?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I can indicate to the hon. member that I will be pleased to look at the question of those claims he mentioned. I will look at it personally.

As for the other issue, whether to revisit the guidelines, I am surely capable of doing that but I do not want to raise false expectations in Newfoundland. I will do as the hon. member asks.

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ETHANOL

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, my question is for the Minister of Agriculture.

Farmers in Ontario have repeatedly asked for clarification of the federal policy and for market entry support for grain based ethanol. They have been waiting for years.

Can the minister assure me and the Canadian farmers that the wait is over?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, the hon. member's ongoing interest in this important issue is to be recognized.

I answered a question of a colleague in the House last week talking about ethanol and the reasons why Canada supported ethanol and the production of that product. It helps us in the environment. It also helps us use a renewable comment in the grains and oilseeds sector.

As the hon. member is aware, there is one commercial ethanol production plant in Ontario at this time. Some provinces have put forward initiatives which would help the establishment of plants to produce ethanol. I hope that we are able to work co-operatively as we have in the past federally and provincially to continue with this important project.

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COMPETITION POLICY

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I have a question which is supplementary to the very penetrating question from the member for Cambridge and is to the Minister of Industry, Science and Technology.

I quite agree that consultations with representative and responsible people are very interesting. Can the minister please explain to this House and the Canadian people how this public consultation of 150 consultations in communities across the country— the first was a trial experiment in my riding when the two questions were "Your wish" and "How to"— is going to contribute to international competitiveness after two and a half hours of dialogue on those interesting two general questions?

• (1500)

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I thank the hon. member for his not quite so penetrating question.

I know that my hon. friend supports the approach that we are taking to consult with Canadians. I think the meeting in his riding was a good meeting.

What we are trying to achieve here is, as I said in previous answers, to get Canadians talking about this range of issues that are out in the consultation papers that my hon. friend, the Minister of Employment and Immigration, and I have put out on behalf of the government.

If the member had attended the workshops that were a part of that meeting, he we would have seen that there was good dialogue—

Mr. Speaker: I think we will have to move on.

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FISHERIES

Mrs. Coline Campbell (South West Nova): Mr. Speaker, my question is for the Minister of State for Transport.

Today a very serious conflict exists in the lobster fishery in southern Nova Scotia. One of the concerns of the lobster fishermen is that they feel they are not getting fair access to air cargo space for transport to the lucrative Christmas European lobster market.

I ask the minister if she will immediately look into this matter to make sure that air cargo space is available on the east coast for all the lobsters to go to the European market that can be shipped.

Hon. Shirley Martin (Minister of State (Transport)): Yes, Mr. Speaker.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, my supplementary is to the Parliamentary Secretary to the Minister of Fisheries in the absence of the Minister of Fisheries.

A report in one of the newspapers in southwestern Nova Scotia is that the quotas for 1992 in the Scotia-Fundy region in the groundfishery will be increased.

As the fishermen in the area need to know immediately before they are forced to transfer more quotas to companies, will the parliamentary secretary look into whether or not these quotas will be increased and tell the people in the Scotia-Fundy area if they will be?

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I can tell the hon. member opposite, yes, we will look at that immediately.

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, I was starting to get worried. My question is for the Minister of the Environment.

Canadians have waited patiently through four years of federal delay for comprehensive national standards to clean up Canada's biggest polluter, the pulp and paper industry, and today learned that the Minister of the Environment has offered the industry exactly what it wanted: a six-year toxic dumping holiday in all cases until December 1995 for special cases and no target or timetable for phase-out of organo-chlorines despite the support of his own department for such action.

Will the minister at least admit to Canadians that the over-all level of toxic organo-chlorines will continue to rise in our environment, in our water, in our fish and in our ecology as a result of the minister's decision to not decrease?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, that is false. Let me start with the member's assertion that we have offered some sort of a toxic holiday for a period of six years. I do not know where he takes those numbers from. In fact, we are bringing forward regulations under the Canadian Environmental Protection Act for dioxins and furans that will come into effect for mills constructed before 1990 in January of 1994 and for mills constructed after 1990 immediately.

Those regulations will have the effect of reducing the amount of organo-chlorides to below two kilograms per tonne, a net reduction of 600,000 tonnes of organo-chlorides at 1980 levels for the year 1993. That is a result of our regulation which, by the way, compares very, very well to any similar regulations that the hon. member will find anywhere around the world.

Mr. Speaker: A very, very, short supplemental.

Mr. Jim Fulton (Skeena): My supplementary, Mr. Speaker, is for the same minister.

Yesterday the Auditor General identified misleading information and overstatement of penalties as being serious problems in environmental protection reports from the minister's department.

Will the minister at least give Canadians today, now, an absolute assurance that there will be total compliance and enforcement even with the weak-kneed regulations he and the Minister of Fisheries and Oceans announced today? At least give us that.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, the hon. member refers to the Auditor General's report of yesterday. What the Auditor General said in fact is that some information that had been given through three different instruments, including part III of the estimates, could be. He did not say it was—he said, it could be. In recognition of that he was referring in fact, I may point out, to estimates that went back to 1990-91, the previous year for which there were corrections.

The second thing that he singled out in terms of a report was a report that was published in 1988 and for which there was also corrections and the Canadian Environmental Protection Act for which there was also corrections.

I may also add, and that concerns the second part of the member's question, that the government announced today under the authority of the green plan a $55 million initiative for enforcement of our environmental regulations, in reaction to our new regulations and the Auditor General's report.

Mr. Speaker: This will be the last question. I know the hon. member for Argenteuil—Papineau wishes to be heard, but I will not have time. Perhaps tomorrow. The hon. member for Fredericton—York—Sunbury.

* * *

CANADIAN BROADCASTING CORPORATION

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister of Communications.

In the maze of financial restraints being experienced by the CBC, one redeeming recommendation from its president is the call for more predictable and flexible financial management capabilities.

For example, it is difficult to imagine how any $1 billion corporation could be run in today's uncertain

world without some reasonable ability to borrow money for short-term operational needs or for amortized investment capital facilities.

Would the minister be willing to consider introducing amendments to the appropriate legislation so as to provide the CBC with a limited borrowing authority to more efficiently conduct its affairs on a business basis?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, I certainly appreciate the hon. member's suggestion. Obviously, when you are looking at the running of the $1.3 billion corporation, it is important to be able to have flexibility and the capacity to run your business on a business-like basis.

The government is currently looking at the whole issue of the long-term financing of the CBC. I will certainly take the hon. member's suggestion into consideration at the same time.

* * *

PRIVILEGE

NATIONAL RESEARCH COUNCIL

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, I rise on a question of privilege based on an apparent infringement of the freedom of speech of the House of Commons as it applies to witnesses before parliamentary committees.

This fall the Standing Committee on Industry, Science and Technology, Regional and Northern Development has held hearings on the Industrial Research Assistance Program of the National Research Council. During these hearings members of the private sector IRAP advisory board gave testimony which was critical of the National Research Council and its president.

In an apparent reprisal I have learned that the National Research Council has disbanded the IRAP advisory board and effectively has terminated the members of this board who appeared before our committee.

I wish to table in the House today copies of letters sent to members of the board informing them of the NRC's decision. Mr. Speaker, if you wish I can send you material detailing the disagreement between the IRAP advisory board and the president of the National Research Council.

I believe however,—

Mr. Speaker: Just a minute. I have been listening carefully to the member and I will let him continue, but I am having some difficulty seeing how a decision made at the National Research Council is a breach of privilege of the hon. member or of this House. Perhaps the hon. member can assist me.

Mr. Berger: Yes, Mr. Speaker, I will address that point immediately.

It is essential that parliamentary committees hear witnesses who are free to give honest testimony without fear of reprisal. This apparent message, the disbanding of this committee and the message that the NRC sends, possibly acting with the approval of the government, cannot be allowed to stand.

Potential future witnesses cannot—

• (1510)

Mr. Speaker: Just a moment, please. Perhaps the hon. member would take his seat for a moment. I may ask him to help me further. The hon. member is accusing somebody of having forbidden them or made it impossible for the committee to hear them. That might indeed be a very important matter. But unless I am not fully *au fait* as to exactly what the hon. member is getting at, I wish he would come to the exact point.

Just because the National Research Council may or may not decide on what it does or does not do with a group within it, that in itself is not privilege. On the other hand, if there was a deliberate design to stop members that a committee had invited from appearing in front of that committee, and if that design was carried out in a completely improper way, then maybe we have a point. It might very well have to be resolved by the committee first.

But I want to get the facts.

Mr. Berger: Mr. Speaker, you refer to a deliberate design to stop witnesses from appearing. Witnesses appeared before our committee. They were members of a private sector advisory board who undertook their responsibilities on a voluntary basis. Their board has effectively been disbanded.

The point I wanted to make to you, Mr. Speaker, was that this affects freedom of speech, not only in the sense that future witnesses appearing before committees may be left in a position where they can be intimidated, but there is a further potential breach.

[*Translation*]

This is not only about freedom of speech being limited by the threat of retaliatory action but about public confidence in our parliamentary institutions. Witnesses simply will not come if Parliament does not defend their right to speak out.

Mr. Speaker: I am reluctant to interrupt the hon. member.

[*English*]

At the moment I see no privilege. At the moment I would ask the hon. member to take this representation back to the committee, and it may well be that as a consequence of that there may be a question of privilege to bring before the Chair. But at the moment it is not there.

I am going to carry on. I thank the hon. member for his courtesy.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the members' attention the presence in the gallery of Raphael Shakhbazian, Minister of Grain Products, from Armenia.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN ABORIGINAL ECONOMIC DEVELOPMENT STRATEGY

TABLING OF REPORT

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am very pleased to table a document which highlights the glowing record of achievement by Canada's aboriginal peoples in restoring their very real tradition of economic self-sufficiency.

This document is an 18-month status report on the progress under the Canadian Aboriginal Economic Development Strategy, which constitutes a partnership for economic development between the government and aboriginal Canadians.

On behalf of my colleagues, the Minister of Indian and Northern Affairs and the Minister of Employment and Immigration, whose department also delivered this strategy, I am pleased to report on the progress made to date and reaffirm the government's commitment to continued efforts at developing aboriginal economic self-sufficiency.

* * *

FINANCE

SEVENTH REPORT OF STANDING COMMITTEE

Mr. Murray W. Dorin (Edmonton Northwest): Mr. Speaker, I have the honour today to present the seventh report of the Standing Committee on Finance, in both official languages.

In accordance with its order of reference of Tuesday, October 8, 1991, your committee has considered Bill C-18, an act to amend the Income Tax Act, the Canada Pension Plan, the Cultural Property Act, the Export and Import Act, the Income Tax Conventions Interpretation Act, the Tax Board of Canada Act, the Unemployment Insurance Act, the Canada-Newfoundland Atlantic Accord Implementation Act, the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act, and certain related acts, and has agreed to report the bill as amended.

* * *

BILL C-38

REPORT OF LEGISLATIVE COMMITTEE E

Mr. René Soetens (Ontario): Mr. Speaker, I have the honour to present the report of Legislative Committee E on Bill C-38, an act to provide for the continuance of Telesat Canada under the Canada Business Corporations Act and for the disposal of the shares therein of Her Majesty in right of Canada, with amendments, in both official languages.

This is my first report as a committee chairman and I would like particularly to thank all members of the committee who made it possible for us to deal with this matter in a very appropriate fashion.

[*Editor's Note: See today's Votes and Proceedings.*]

Routine Proceedings

EXCISE TAX ACT

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby—Kingsway) moved for leave to introduce Bill C-325, an act to amend the Excise Tax Act (mobile home).

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Robinson: Mr. Speaker, the purpose of this bill is to amend the goods and services tax definition of mobile home to remove the size specifications which are set out in the definition. The effect of the amendment would be to ensure that a unit which is occupied as a home should be exempt from the goods and services tax no matter what size it is.

Of course this would be an interim step until the GST is ultimately abolished by a New Democrat government.

The Acting Speaker (Mr. DeBlois): Mr. Robinson moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

ACCESS TO INFORMATION ACT

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby—Kingsway) moved for leave to introduce Bill C-326, an act to amend the Access to Information Act (corporations).

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Robinson: Mr. Speaker, the purpose of this bill is to provide that the Canadian Council on Animal Care should be subject to the requirements of the Access to Information Act. This would provide for a greater degree of openness concerning the care and the use of animals in research.

Although most animal using institutions are public, using public funds for public benefit, the system is not accountable to the public. Therefore, this bill would ensure that these scientific research establishments using animals in research in fact drop the veil of secrecy and are open and accountable to the public.

The Acting Speaker (Mr. DeBlois): Mr. Robinson moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

[*Translation*]

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PRIVATE BILLS

MOTION TO CONSIDER RECEIPT OF LATE PETITION RECEIVED

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, after the usual discussions with hon. members, I would ask the unanimous consent of the House for tabling a motion that a late petition be deemed to have been received.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent for the hon. member to table the motion?

Some hon. members: Agreed.

Mr. Gauthier: Mr. Speaker, the motion reads as follows:

> That, notwithstanding Standing Order 132, the petition for private bill from the Metropolitan Insurance Company received Tuesday, November 26, 1991, and reported upon by the Clerk of Petitions on November 27, 1991, be deemed to have been received within the required timeframe.

[*English*]

The Acting Speaker (Mr. DeBlois): Hon. members have heard the terms of the motion. Is there unanimous consent?

Some hon. members: Agreed.

Motion agreed to.

* * *

• (1520)

PETITIONS

MARKETING BOARDS

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the pleasure today to present a petition signed by numerous residents of Ontario, particularly from Seeleys Bay, Sydenham, Harrowsmith, Kingston, Mississauga, Merrickville, Norwood, Peterborough, Tweed, Foxboro and other communities in this province.

These persons are concerned about the government sellout of Canadian interests in the GATT negotiations and particularly the possible sellout on article XI. Were there a significant change, there could be destruction of Canada's system of marketing for farm products.

These people are concerned that the government, having shown so little backbone in the past, will sell out Canada again in these talks. They call upon the government to hold our Canadian system up as an example to the world and protect it in those negotiations.

UKRAINE

Mr. Murray W. Dorin (Edmonton Northwest): Mr. Speaker, I have the honour today to present a petition calling upon Canada to officially recognize Ukraine's independence and to immediately establish full diplomatic relations with the government and people of Ukraine.

I have received a number of these petitions prior to the Prime Minister's announcement yesterday recognizing Ukraine as an independent state. Unfortunately only this one was certified correct pursuant to Standing Order 36.

Hon. Alan Redway (Don Valley East): Mr. Speaker, I too am very pleased to present a petition signed by 100 Canadians from the greater Toronto area.

The petitioners are also from Hamilton, Beamsville, St. Catharines, Grimsby, Sarnia, Oshawa, and a great many are from Bradford, Ontario.

They are petitioning Parliament to urge the Government of Canada to give genuine support to the people of Ukraine by officially recognizing Ukraine's independence and establishing full diplomatic relations with the government and people of Ukraine immediately following a positive confirmation vote in Ukraine's referendum on December 1, 1991.

I know that all these petitioners, as well as you and I, Mr. Speaker, were most pleased that the Prime Minister announced on Monday, December 2 that Canada had officially recognized Ukraine as an independent state.

NORTH THOMPSON RIVER

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is my pleasure to rise pursuant to Standing Order 36 to present a petition.

The petitioners in this particular case are from throughout the Okanagan Valley. They advise that a company has announced its intention to dam the North Thompson River at Valemount to divert water to sell to San Diego, California.

The petitioners point out that the federal government does not prohibit the diversion of Canadian rivers into the United States of America.

They are petitioning Parliament to urge the Government of Canada to state categorically that it will not permit our fresh water rivers to be dammed and diverted into the United States of America and to state that our Canadian rivers are not for sale.

UKRAINE

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, pursuant to Standing Order 36, I regard it an honour to present a petition on behalf of a number of residents of the riding of Elk Island who support the initiative of the Government of Canada to officially recognize the independence of Ukraine.

The petitioners also urge the government to continue its efforts to establish full diplomatic relations with Ukraine.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, it is my honour and duty to present on behalf of a number of citizens of my constituency a petition which calls upon the government to recognize Ukraine officially, to do what it can to establish relations quickly and to help Ukraine to immediately become a functioning nation.

NORTH THOMPSON RIVER

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I am presenting a number of petitions today with about 400 signatures from people who live throughout the Okanagan—Shuswap area.

The petitioners are quite concerned that Multinational Resources has an intention to dam the North Thompson River at Valemount and divert the water into the U.S. market.

The petitioners are concerned that under the provisions of the Canada–U.S. Free Trade Agreement, the export of bulk water from Canada to the U.S. would in fact enshrine Canada's obligation to maintain such exports even in the event of domestic water shortages.

They are petitioning and urging the Government of Canada to state categorically that it will not permit fresh water diversions into the U.S. and to state categorically that our Canadian rivers are not for sale.

CANADIAN BROADCASTING CORPORATION

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, on another matter, I also have a number of petitions from British Columbia residents with respect to the funding of the Canadian Broadcasting Corporation.

These petitioners are urging the government to consider the restoration of full and proper funding to the CBC so that it can fulfil its mandate and its role as the heartbeat of Canada. They are asking the government's priorities in terms of decreased funding for Canadian institutions be reconsidered.

JUSTICE

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, on this White Ribbon Day, I have a petition on behalf of the parents of Nina de Villiers who want to draw to the attention of this House and this Parliament the fact that crimes of violence against persons are serious and abhorrent to society and the need to amend the Criminal Code of Canada, the Bail Reform Act of 1972 and the Parole Act accordingly.

These parents are now in the other place talking about the gun control bill. They wish the attention of the House to be brought to these petitions.

UKRAINE

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, on August 24, 1991 the Ukrainian Parliament declared Ukrainian independence and the creation of an independent and democratic state of Ukraine. On December 2, they reaffirmed that declaration.

Over one million Canadians of Ukrainian descent have for a century sustained their ideals in freedom and democracy for an independent homeland.

Tthe Governments of Canada and Ukraine signed an historic declaration on relations between Canada and Ukraine on September 22, 1991 to develop and strengthen contact in the spheres of politics, the economy, science, technology, education, sports and other areas.

Therefore, the Ukrainian Canadian community calls on the government to not only officially establish relations with Ukraine but also to help Ukraine at the United Nations gain full recognition.

On that, congratulations have to go to the Ukrainian Information Bureau for its excellent work on this issue.

* * *

QUESTIONS ON THE ORDER PAPER

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

Mr. Dingwall: Mr. Speaker, I am wondering if, perhaps, the question has already been answered. I am wondering if the parliamentary secretary could give us an update with regard to Question No. 138. He has been asked on several occasions to provide the House with an update.

Mr. Cooper: Mr. Speaker, I am sorry to say to the hon. member that I have not made quite as much progress as I had made the last time I talked to him about this question. We are now down to four departments or agencies that are outstanding. I hope we can clear that up very quickly and get that answer to the hon. member.

Mr. Dingwall: Mr. Speaker, perhaps, since the parliamentary secretary has been so co–operative in trying to expedite this particular matter, he could give an undertaking to the House that he will attempt to obtain the answer to the question before the week is out.

If there should be some substantive reason as to why that answer cannot be forthcoming, such as an act of God or whatever that may be, perhaps he would be so kind as to give us an undertaking that the information he does have at his disposal could be made available to the member who has asked the question and thereafter the four remaining departments which obviously would submit the information to the parliamentary secretary could then submit the information to the House and to the hon. member. I think that would be in the spirit of generosity, and since we are approaching Christmas, I am wondering if the parliamentary secretary could give us that undertaking.

• (1530)

Mr. Cooper: Mr. Speaker, my friend makes a very interesting suggestion. I have to admit that there is a reluctance on this side of the House to partially answer questions. We like as much as possible to give a complete and thorough answer.

I can assure the hon. member that I will indeed try to find out what the problem is in these four outstanding departments or agencies. I will indeed try to have an answer for him by the end of the week.

I would certainly hope that we would be able to answer it at the very least before the House rises December 13.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUDGET IMPLEMENTATION ACT, 1991

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, be read the third time and passed; and the amendment of Mr. Walker (p. 5662).

The Acting Speaker (Mr. DeBlois): I remind hon. members that there is a 10-minute maximum on speeches, without questions or comments.

[*English*]

Yesterday the hon. member for Renfrew—Nipissing—Pembroke got the unanimous consent of the House to have the floor for 20 minutes. The hon. member has 16 minutes left.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, Bill C-20 is an act to amend certain statutes to implement the budget tabled in this House on February 26, 1991. Bill C-20 was introduced to implement four particular or special initiatives outlined in the February 1991 federal budget.

One of the most important changes would provide amendments to the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act and extend the cap on Established Programs Financing transfers to the provinces. What that actually means is that transfer payments from the federal government to the provinces will not increase, not even to pay the rate of inflation or the additional costs of those programs to the provinces.

The provinces are going to have to come up with the additional money to cover inflationary increases and the other increased costs related to post-secondary education and health care. That has some very serious consequences for Canadians. It also says that the federal government is walking away from its responsibility.

Another proposed amendment would dramatically increase unemployment insurance payments for both employees and employers.

The other two amendments would provide for the capping of sessional allowances and a continued freeze on tax transfers to the provinces collected from public utilities. So there is another capping by the federal government on those programs.

With Bill C-20 the government hopes to extend the freeze on those Established Programs Financing transfers for an additional three years. Imagine, for another three years, not just this year. Established Programs Financing transfer payments are made to the provinces, as I said, to support health and higher education.

It specifically means that in those two areas the provinces are going to have to come up with greater sums of money to cover the natural increases that they have to pay in administering post-secondary education and medicare even to the extent of covering the inflation rate itself. We can see where the government is going here.

How can the provinces cope? As I said yesterday, they can either cope by increasing taxation or simply cutting back on the services. The government is saying: "If you cut back on services, provinces, we are going to punish

you". I will get around in a moment to how that is going to take place.

We know what effect this is going to have on John Q. Public in Canada. As I said, to ensure the adherence to the standards of the Canada Health Act, the government has included a provision in this bill whereby it could withhold, reduce or deduct either money from the cash portion of the transfers or from any other transfer payments made to the provinces, not just for post-secondary education and health services. Any other services to the provinces can be deducted if the province does not maintain national standards in medicare.

The federal government is saying to the provinces: "We are not going to pay to maintain the services of medicare nationally across this country. We are going to make you, the provinces, pay for it". We know that some provinces will not be able to afford to do this.

The constitutionality of this clause, providing for the withholding of other transfers, is being challenged in the courts. A law firm reviewing the bill has suggested the bill would exceed the federal government's authority to intervene in health policy.

Going on, I just want to lay some groundwork. The former Minister of Finance gave notice in his February 19, 1991 budget that the freeze on these program entitlements announced in the 1990 budget for 1990-91 and 1991-92 would be extended to 1994-95, that is the next three years. At that time the finance minister said—and listen to this very carefully; this has been said before, but it bears repeating and repeating—"I recognize that limiting the growth of transfers under Established Programs Financing raises concerns about the ability of the federal government to continue enforcing national medicare principles under the Canada Health Act". He said that on February 26 at page 18 of his budget speech.

However, he went on to assure Canadians that "the principles of the Canada Health Act will not be compromised". Further to this pledge, the former Minister of Finance stated: "Legislation will be introduced to ensure that the federal government continues to have the means to enforce these national medicare principles". That too was said in the budget speech.

The question has to be asked here: If the federal government does not pay enough money into the national medicare scheme to pull its own weight, how does it have the right to call the tune? That is precisely what is being challenged in the courts.

The Minister of Finance spoke again in February of this year. What he said is contained in clause 23(2) of Bill C-20. The beginning of that particular clause of the bill states, and I will not read all of it because to many people it will be a bunch of gobbledegook, including to myself:

> In this section, "federal payment", in respect of a province, means a payment by Canada to the province under this or any other Act of Parliament or any fiscal arrangement or agreement between Canada and the province, whether enacted or entered into before or after the coming into force of this section.

That is a blanket coverage.

This legislation goes far beyond withholding any transfer fund entitlements as a means of deterring the Canada Health Act violations. Provinces within Bill C-20 have the potential to undermine the full range of federal transfer programs. In order to punish a province that does not comply to the standards laid down by the federal government, which itself is not willing to pay its own way, innocent individuals will suffer. Provincial health care practices will now have a direct bearing on child care, welfare, municipalities, aboriginal people, farmers, students and numerous other individuals and groups that stand to be denied programming that is cost shared by the federal and provincial governments. I included municipalities.

• (1540)

The municipalities across this country are going to be hard hit because of the lack of transfer payments from the federal government to the provinces. The provinces will have to tighten up their expenditures and will probably give less money to the municipalities to help them with their shared cost programs. The whole thing will fall at the feet of John Q. Taxpayer at the local level.

Some people will say: "Well, it is going to rest on his shoulders anyway". However, the fact remains that we have a federal government that should show leadership but it does not want to show that leadership. It is passing the burden on to the provinces and on to the municipalities across this country.

What repercussions on other items could this reduction have? It means that, in accordance with the provisions of Bill C-20, the federal government can penalize provinces that do not maintain its standard of medicare by interfering with a whole host of programs. It can take

not only from transfer payments but from other payments going to the provinces.

First, equalization payments alone are estimated to provide $8.4 billion in 1991–92 to provinces without sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation. The federal government could deduct from that if national standards of medicare are not met in individual provinces.

Territorial financing is estimated to provide $1.41 billion for 1991–92 to the territorial governments to enable them to provide the range of public services in the north provided by provincial governments. Can you imagine those programs to the territories being cut? What base of taxation do they have to make up the difference? It is an horrendous piece of legislation that penalizes the regions of Canada, particularly those that are in greatest need.

Grants in lieu of taxes are paid to provincial and municipal governments by the federal government instead of paying taxes on federal and diplomatic property. These grants are estimated at $344 million in 1991–92. They could be deducted.

Public utilities income tax transfer payments represent 95 per cent of the federal income tax collected from certain privately owned public utilities transferred by the federal government to the provinces. This transfer is estimated at $280 million in 1991–92.

Statutory subsidies are the oldest transfer payments and are paid to each province under the terms of Confederation. These subsidies are estimated at $36 million for 1991–92.

The federal government shares the cost of each province's income maintenance and social services programs on a 50/50 basis under the Canada Assistance Act. That is important. The federal contribution for 1991–92 is estimated at $6.4 billion. In this time of recession we can imagine what it means to individual provinces and municipalities if the federal government backs off from paying its full contribution to social welfare at the local level in this country at a time when social welfare is increasing for the municipalities across this country.

The reeve of one municipality informed me that his welfare budget has increased by 2,000 per cent compared to what it is normally.

How can small municipalities cope with the federal government cutting its share of payments to the provinces and the provinces therefore not having enough money? At the same time the provinces have to increase taxes in order to cover post-secondary education and health costs.

What about the crop insurance contribution? In this day when the farmers of this country are going through the most horrendous times they have faced since the early thirties, or possibly in the history of Canada, can you imagine the crop insurance contributions, estimated at $207 million for 1991, possibly being cut because a province is not going to pay the federal share to keep up the cost of post-secondary education and hospital care?

There is also the Young Offenders Act, which I mentioned yesterday. There is a whole host of others but a bill went through third reading in this House last week covering the amendments to the Young Offenders Act in this country.

Under that legislation young offenders while in prison will have to receive medical treatment to assess when it is safe for them to be back out on the street. The big question in the minds of Canadians today is: Why are people who then cause other problems released prematurely? We need the medical services in those prisons to assess when it is safe for an individual to go out on the street.

The federal government is passing legislation that says to Canadians that it is going to make their streets safe and at the same time it is not providing the money to administer the program itself. That is passing the buck and it shows the lack of a responsible attitude by the national government of this country.

We know that the government is increasing the Unemployment Insurance Act by 24.4 per cent.

You are giving me the high sign, Mr. Speaker. I will abide by your ruling with one minute to go.

As I have said before in this House, the federal Government of Canada was given the responsibility for the unemployed in this nation in 1940 as an amendment to the BNA Act. That was a result of the Rowell-Sirois commission report of 1937, which was the most in-depth

study into poverty, economic conditions, and taxation jurisdictions between the federal and provincial governments ever made in Canadian history.

Today this government is increasing unemployment insurance rates by 24.4 per cent but it is not paying for it. It is placing the responsibility of paying for the entire program on the employer and the employee. That is not just passing the buck. That is neglecting your constitutional responsibility as the Government of Canada.

It was introduced to help those municipalities, to help those poor areas of Canada. Now this federal government is passing the buck to them and making them pay. Before this is over we must have another in-depth investigation into the tax sharing policies of this nation because the provinces and the municipalities are being put to the wall and they cannot afford it. It is up to the national government in Ottawa to show leadership on this and ensure that the transfer of taxes is carried on so that these programs are funded. Otherwise we should not have the audacity to pass the legislation in this House of Commons.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I understand that I only have 10 minutes at this point in time in the debate.

This particular bill has numerous difficulties for the constituents I represent in this Chamber. I want to outline some of those concerns.

The bill which was laid before the House some time ago is a result of trying to implement the February 1991 budget. There are a number of things this bill intends to do.

The first intention is to make amendments to the Federal-Provincial Fiscal Arrangements Act, the Federal Post-Secondary Education and Health Contributions Act, and to extend the cap on the Established Programs Financing transfers to the provinces.

Post-secondary education is of fundamental importance to a society which wishes and hopes to be internationally competitive. Many of our young people from coast to coast wish to pursue their post-secondary studies not only so that they will be qualified and their skills be enhanced but also to give them an opportunity to make a meaningful contribution to Canadian society.

• (1550)

The unfortunate part of this particular bill is that the transfer payment cutbacks and the capping on various payments to certain provinces have provided some very serious hardships for our students across this country. So much so that in my own constituency, in my own university, the University College of Cape Breton, students have been told by this government that any student loan they receive has 3 per cent on the front end taken from that loan.

I think I have indicated before that this amount of money to the casual observer does not look like an extensive amount of money. However, if you are taking 3 per cent of $3,000 it is rather sizeable in terms of what students can purchase with that money, whether it is supplies for their particular class, transportation to and from the university or transportation from the university to their own homes if they should happen to live outside that particular province or that particular area. It is a tax on young people who are trying to acquire a post-secondary education.

It is somewhat hypocritical of the government to say that on the one hand it wants to have meaningful consultations concerning competitiveness, as it said in the prosperity document tabled by the Minister of Industry, Trade and Commerce. Students really are—and I do not wish to flatter their egos unduly but the fact remains—our best hope. Young people are our best hope for the future in terms of what they can do to improve Canadian society. I think that Bill C-20 acts to impede the progress of students and of young people, particularly as it relates to post-secondary education.

The government will say, and say quite rightly: "Well, we are still giving an increase in the amount of money going to universities". However, what if you were anticipating a certain level of increase and guaranteed that particular increase and then someone came along and said: "I am sorry, it is going to have to be *x* minus *y*, that is what you're going to get"? That throws budgets of provincial governments off and certainly has a negative effect on the administration of universities, whether in terms of providing research moneys for professors, providing facilities to needy students, or the actual fact that some individuals will have to lose their jobs as a result. There is only so much money in the pot.

Education is one thing and post-secondary education is very, very important. However, Bill C-20 goes on to talk about health in the respective provinces. There is a certain pot of money made available to provincial governments in have not provinces such as Nova Scotia to carry on and implement the principles of the Canada Health Act. Any time money is taken out of that pot, it directly affects the prospects of the health care system.

What do I mean? I mean that there will probably be less money for research. However, if there is not to be less money for research and health care they will steal it somewhere else. Sometimes it is felt not by the medical doctors but by people such as the janitor who works in the hospital. I know many janitors who work in hospitals, whether in Glace Bay, New Waterford in my constituency, Sydney or Sydney River. They are the ones who will feel the effects because lay-offs will have to occur and overtime will be curbed. They are the ones on the health care scale who will, in effect, be cheated as a result of Bill C-20. I do not think any of us in this Chamber can overlook the fact that these cutbacks, as announced by the government through Bill C-20 and its February budget of 1991, will have traumatic effects on what Canadians believe is the most important social program ever put in place.

I have tremendous difficulty with the attempt of members opposite to erode the fundamentals of medicare. I know government members will say they are not doing that. They say there is no way they are not eroding the fundamentals of medicare. But remember the pie and all the services in the pie. When you shrink the pie, something has to happen to research or the maintenance provided in the various hospitals. That is what happens.

Bill C-20 also goes on about unemployment insurance premiums. In the few minutes I have left, I want to tell the Chair that I have never seen such hypocrisy by a government, as demonstrated in Bill C-20, as it affects the UIC premiums.

Let us not forget that the hon. member for St. John's West, in the last federal election, stated on national television that there would be no changes to the unemployment insurance program in this country. Now, under the auspices of Bill C-20, we have an increase in UIC premiums of 24.4 per cent.

Some commitment, some promise by members opposite. It will affect the average working Canadian and the average employer in the various small businesses across this country. Some of them do not have huge profits like General Motors or some of the major corporations in this country to pay this additional tax. Some of them are operating from week to week, from month to month. It is the individual who runs the dry cleaning store, the pizza shop or drug store who is going to feel the negative effects of the increase in the UIC premiums. It is so unfair. It is hypocrisy at its worst. The Minister of Finance, when I questioned him, would not be candid enough to indicate there would be no increases in 1992. Now we are going to have more of an increase, not just 24 per cent but more than that.

In conclusion, I thank you for the opportunity to make this intervention. I hope hon. members opposite will see their way to vote down the provisions of Bill C-20, which is a Draconian piece of legislation. I am sure the hon. minister would want to agree with me, only for the provisions of cabinet solidarity.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, in the brief time I have for my remarks today, I would first of all like to refer to Bill C-20 and what it means to the provinces of Canada, the people within the province of British Columbia, my home province, and my riding of Okanagan—Similkameen—Merritt.

Bill C-20 is a continuation of Bill C-69 which was so drastic in its cutbacks to post-secondary education and health care delivery to Canada and the provinces, but in particular to the province of British Columbia.

• (1600)

This particular bill continues until fiscal year 1994-95 the cutbacks to the Established Programs Financing, those transfers to the provinces for post-secondary education and health care within those provinces.

Over that period of time, as I understand it, the cuts amount to almost $9.5 billion. They will cost the province of British Columbia over that period of time almost $1.2 billion.

That money has to come from somewhere. We either cut back on our programs, or we have to increase taxes within our separate provinces or municipalities.

I have heard through letters from my constituents and discussions with other members from all sides of the House that this particular bill, the continuation of Bill C-69 and Bill C-20, is the commencement of the death of medicare as we know it.

Certainly members on the other side of the House may say that we are being alarmist and are trying to scare people. I think it is about time the people of Canada realized they have to wake up and ensure that this government is not elected again.

It has continued on the path it has taken over the last years since it was first elected in 1984. Now we see the erosion of our education programs, our health care system and life as we know it in Canada. I think we have to become somewhat alarmed. We have to start speaking out.

In the last poll I saw, only 16 per cent of the people of Canada believe this government is doing a good job and would vote for it again. I predict that will carry over into the next election, whether it be in 1992 or 1993, and this government will get its come-uppance.

The people of Canada will not stand for the continued erosion and attack on these programs. My parents and their parents fought for them over the years and the young people of Canada take them for granted as part of what makes up Canada.

The riding of Okanagan—Similkameen—Merritt has triple the percentage of senior's population as does the rest of Canada. Almost 33 per cent of the residents of Okanagan—Similkameen, certain areas in the Okanagan Valley and to some extent the boundary country and Similkameen Valley, are over 65 years of age.

If you look at the retirement population, that figure jumps to almost 50 per cent of the population.

How does this bill, the cutbacks in the transfer payments and Established Programs Financing in the area of health care alone, affect my area? It is devastating. This bill in its substance is looked on by the people of my riding and myself as a Draconian measure. It can only continue to hurt those who need to be assisted the most such as those with lower and middle incomes, and those on fixed incomes such as the seniors in my area.

I am alarmed. I am very upset at the prospect that the people in my riding, in British Columbia and across Canada are going to be so devastated by the terms and direction this bill is taking Canada and our health care system.

I have heard many problems from people coming to me over the last six months to a year. In one case a woman in Oliver, British Columbia said her husband has been on a medical waiting list to have a necessary knee operation, but he cannot get into the hospital because of the cutbacks in the care. He is not a priority and yet this gentleman is crippled. He is unable to work. They have an orchard, and his wife must do the orchard work. They are not a young couple, yet they are being penalized by the terms and conditions set out by this government with the cutbacks in the health care systems.

I would also like to talk about the cutbacks in post-secondary education. In my riding there are three colleges: Selkirk College, of which I am an alumnus; Okanagan College, which is central to the Okanagan Valley; and Caribou College which goes into the Merritt region.

Those areas are directly affected. As the cost of post-secondary education increases, it becomes increasingly more difficult for the average Canadian, the average wage earner, to assist their children, daughters and sons, to go on to university. Universities and colleges are forced to increase fees substantially. The costs of books, room and board and transportation continue to rise under the policies of this government.

We try to encourage our young people to get their education in our region where it is slightly cheaper. Yet by doing this, we are forcing those young people out of post-secondary education and into the job market.

Unfortunately, because of the policies of this government, there have also been cutbacks in the Canada Assistance Plan and cutbacks are probable in the area of welfare.

In order to get unemployment insurance, the students have to work longer periods of time. Because their qualification period is longer, their benefit period has been shortened. It is difficult to get jobs in areas like the Okanagan, where the rate of unemployment is substantially higher than the national average. In Merritt, for instance, in the last couple of years the rate of unemployment has increased to something like 34 per cent. I just heard this week that one of the major employers in

the city of Merritt, one of the major sawmills, has laid off a number of employees. They could be laid off from one month to four months or perhaps longer.

They lay the blame on the fiscal and monetary policies of this government—the GST and the problems that it has caused. They lay the blame on the differences in the extra taxation through unemployment insurance premiums. They blame this government for the fiscal policies of the high dollar rate and the high interest rates. It was predicted two years ago in GST pre-hearings that we would be in a major recession now and there would be cause for concern because of the implementation of the GST, particularly in January 1991.

Unfortunately those predictions are coming true. If we predict further, through the implementation of this bill, we will have more of our young people on the unemployment and welfare rolls. We will have fewer and fewer of our regular, ordinary Canadians able to educate and improve themselves. We will have less and less money for research and development. There will be fewer opportunities for these young people to get reasonable jobs in their future.

Am I being an alarmist? Yes, I am, because I think the people of this House of Commons, the people on the other side of the House, have to wake up to the fact that we can no longer continue with these monetary and fiscal policies as set out by this government. We have to create jobs. We have to ensure that our older people have the proper health care into their golden years and our young people have the opportunity to go to university. Then they will have adequate jobs and money to ensure they can bring up families in an environment that is conducive to happy and healthy living.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, before this Bill C-20 gets rammed through by a Tory majority that must have its head in the sand, there are a few things that need to be said. I see the gentleman for Fraser Valley East is at least sputtering. He will probably get some sand in his mouth as he does it but as least he is conscious. He is with us and that is to his credit and our surprise.

• (1610)

Let us understand what all the fine words mean here on paper, what this bill is going to do. Let us take the words of some other people rather than me because I see the minister of multiculturalism looking at me with a jaundiced eye and he suspects I am about to say some partisan things.

I will indulge him today and instead talk to him on behalf of organizations that have been set up to advise the government. He will have heard, for example, of the National Council of Welfare, one of the bodies whose function it is to advise the government in these matters. Here is what it has to say about the import, the substance of this bill. I see the minister nodding as though he knows what the National Council of Welfare has said. Oh, that he would have heeded what it had said because it is a federal advisory board and he should sometimes take advice of people in the know.

It said that Canada's medicare system will die and federal cash for post-secondary education will dry up by the end of the century unless Ottawa stops its pattern of slashing transfer funds to provinces for health and universities.

The same organization goes on to say, and this is the fear of the National Council of Welfare, that national standards will disappear because the poorer provinces will be unable to provide adequate health services.

There is only one unfortunate turn of phrase in that entire quotation. They talk about poorer provinces. With pride, I happen to represent people from the province of Newfoundland and Labrador. We have never subscribed to the notion that we are a poorer province. We are a province with less cash flow than some of the other provinces but do not ever characterize us as a poorer province in terms of the resources that we contribute, not only in terms of our contribution to the Gross Domestic Product but in terms of our people resources.

Do you know, Mr. Speaker, that there are more native born Newfoundlanders living outside Newfoundland than there are living in Newfoundland. So we are enriching the country all over from Fort McMurray, I say to my friend from Cochrane—Superior who must have the good fortune to have some Newfoundlanders up in his own riding. He nods yes.

All over this country, there are people from Newfoundland in Haldimand—Norfolk and in the riding of my good friend from Okanagan—Similkameen—Merritt. All over this great country there are people who have come from Newfoundland and Labrador to make those other parts of Canada richer. I just wanted to get that off my chest, Mr. Speaker, but I know the National Council of Welfare meant no offence when it used the term "poorer provinces". I understand, and you understand what it meant.

Its meaning here is that national standards will disappear because provinces are less able on their own to finance the cost of medicare or post-secondary education. In the case of those provinces—and I guess that is what it meant by the term "poorer"—the national standards will disappear because of the inability of provinces such as Newfoundland and Labrador and other provinces, not poorer but not as flush in cash as some provinces like Ontario or British Columbia and Alberta.

If the minister is not thoroughly convinced to our point of view, maybe he would like to hear from one other reputable national organization, the Canadian Council on Social Development which maintains that these measures and this bill will effectively—here are the organization's words—strip the country of its social infrastructure at a time it is most needed for both constitutional and economic reasons.

These are two reputable national organizations which monitor these matters, which are far more informed in these matters than you and I are because they make it their business to be on top of what the impact of this bill will be.

I take their advice. I take their concerns seriously. If the National Council of Welfare or the Canadian Council on Social Development did not exist, I will tell you what does exist at all times, and you could think of parallels in your own riding. I will tell you whether or not these councils exist or are there to tell us the pitfalls of this bill. There are the people in Grand Beach. Yes, I have a Grand Bank, but I also have a community called Grand Beach. The people there are the best advisory council I have in terms of what this bill will do to transfer payments, post-secondary education, access to medicare and the unemployment insurance system, which I will come to in a moment.

The people in Grand Beach, Monkstown, Cape Anguille, Petits, Sheaves Cove, Codroy, Burgeo, Fortune, and the other communities which make up the 158 communities in the riding, know first-hand how it limits the access of their young men and women to get a university education. They know how it limits their grandmothers, aunts and in-laws when it comes to elective surgery because of the cutbacks in medicare being triggered by this bill and its predecessor bills.

Yes, its predecessor bills, because as you are aware, this is not the first time the Minister of Finance and his successor, the former Minister of Finance the now minister of trade, with the blessing of the gentleman from Baie Comeau, the Prime Minister, have put the axe to social programs. It is not the first time they have reneged on commitments in terms of maintaining our infrastructure, our social net, our medicare and our post-secondary education. They started it in 1985.

I cannot quote the figures for all of the country. For my own province alone, in those 11 fiscal years from 1985 through to 1995-96 which this bill covers, it will cost the treasury of Newfoundland an aggregate total of $845 million on Established Programs Financing alone for health services and post-secondary education. Newfoundland is a small province of just 580,000 souls and that is $845 million that it will not have to spend on post-secondary education or health services.

I see my time is nearing an end. I thank you for the signal. Let me just say a word in conclusion on the matter of unemployment insurance premiums.

If the crowd over there ever has the guts, as we say back home, to face the electorate one more time, I suspect they will all want to run and find alternate forms of work. I am sure that is what the gentleman from Fraser Valley East will do. He does not look to be suicidal and probably will not even run but if the government members ever have the gumption to face the electorate one more time, the electorate's litmus test for this crowd will be: Have they put their money where their mouth is?

When the government wanted to ram through changes on Bill C-21, it undertook not to tamper with the basic unemployment insurance program and not to increase premiums in rough economic times. Is there anybody over there who has not heard about the rough economic times? Do you know that this bill would increase premiums by 25 per cent, and this is only the first kick. The government has already indicated it is going to go for

another 7.5 per cent as soon as it gets this one rammed through.

The public of Canada is absolutely fed up with this crowd talking all the time out of both sides of its mouth. It says with one mouth what it is going to do, what it promises to do, and then proceeds to do the exact opposite.

I do not expect my friend from Fraser Valley to be excited about this, although he seems to be. I do not expect him to agree with it. I ask him if he will be honest and get up—

The Acting Speaker (Mr. DeBlois): Order, please. Your time has expired.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I want to thank my hon. friend from Burin—St. George's. He launched into the stern end of his speech, as we would say, on a subject that I had not planned to speak on. Since he was cut off, and rightly so of course, I want to elaborate on his emotion and his concern with the unemployment insurance aspect of what this bill stands for. Just to refresh our minds, one of the things Bill C-20 will do is increase unemployment insurance payments for both the employers and the employees.

• (1620)

We have to go back and check the history of unemployment insurance. I do not want to go back to 1940 when the Liberals introduced this as a safety net for Canadians who would be out of work. I want to go back four years. At that time unemployment insurance worked this way: the government paid 26 per cent, the employee paid 31 per cent and the employer paid 40 per cent more than the employee and that worked out to 43 per cent.

A few weeks before the election was called I recall that the Prime Minister and hon. Minister of Fisheries and Oceans, in response to concern that the UIC business would be changed because of the level playing field and the free trade agreement, categorically denied that it would be changed, leaving no room for concern, leaving no room for doubt.

People were telling me: "Look, did you hear what these people say? Don't go around being a fear-monger and creating doubt in people's minds". I had some doubt myself on this occasion, but six months later the hon. Minister of Employment and Immigration introduced measures that eventually led to Bill C-21. Then all my doubts were certainly removed that the level playing field was about to be launched.

One week before the general election—and this is factual—the government cut UI payments by 17 per cent and raised benefits by 7 per cent, denying that the timing of this had anything to do with the impending federal vote. Weekly earnings dropped from $2.35 for each $100 of insurable earnings down to $1.95 the week before the election. Six months after the election Bill C-21 was introduced which took the government entirely out of the unemployment insurance business.

In other words, it has contributed 26 per cent to look after the administration of the fund and to make sure that the money was always there to pay and that people would not have to have their premiums raised. It got out of the whole business. The government does not now contribute.

What has happened? As a result the 1989 budget, not long after the election, increased the employee premiums back to where they were, by about a 10-cent difference back to $2.25 for the employee for $100 of insurable earnings. I will just stick with the employee because the employer went up accordingly. Consistent with the provision of the labour force development strategy which later became Bill C-21, the budget iterated—this is the budget of 1989—that the government would now not contribute to the plan.

In the next budget that concerned unemployment insurance, the budget we are discussing here today, Bill C-20, *The Budget Papers*—and I just read them—stated in part: "The government will continue to contribute to the financing of the program in difficult economic times when it is inappropriate to raise premiums".

If the times have been harder economically to the people I represent—and I know a lot of people are represented on this side of the House—I do not know when they could be any worse. The government is going back on its word. It has raised them from $2.25 to $2.80. Now they are going to be raised again.

Even before the budget is approved and formal approval is given for something that happened on July 1 that is raising the UIC rates by 24 per cent, and even as

we debate it in the House today, on January 1 it is going to be raised another 7.1 per cent.

I am not sure how we could look at that as any kind of a promise that was kept. In fact I think it is the reverse. It is a promise that has been broken on three separate occasions. It is broken by the trust that if times are rough you will not have to pay the premium. That is exactly what it said.

What does this mean? The latest one, which we are not discussing today and which we will have to discuss some other time, means a tax increase of $204 a year for somebody earning $40,000. For the average person in my riding it is going to cost them between $60 and $95 a year. Mr. Speaker, you may say that is not very much. It is a lot when you do not have the money.

I do not know where we are heading with this, quite frankly. I have spoken on the dreadful effect, not that it is going to have but that it already has on health care. I have a lot of seniors in my riding. They have enough to worry about. This is a concern that has gone through every one of the almost 70 seniors homes in my riding. In the last year I have visited them all.

Turning to post-secondary education, most of us have spoken to students in schools. We see them on a regular basis. I write to them and get a lot of letters from them. They are concerned about the apparent lack of financing that is going to take place when this bill is passed.

I do not live in a dream world. I hope that very few of us do in this House. I know that money does not grow on trees. I know that the country is in trouble. We are broke. The Conservatives have been trying to pull us out of this deficit. I am not going to mention with substance that they blame it on the Liberals, but they do and that is unfortunate. After seven years in power I think it is going to be very difficult to blame another government in power seven years ago.

It is like taking over a ship and after a year you have been captain running it aground and you blame it on the previous skipper because he did not have the engine set up properly. Nobody would believe that and nobody believes the Tories when they say that we are responsible for the debt doubling by two and a half times, at least.

Those three concerns are the ones that concern me the most. The money can be found in other places. There is enough flexibility. We know how the government finances its expenditures. It can be found in some other discretionary funding. Perhaps they will have to nickel and dime it. I am not a nickel and dime person, quite frankly. I do not like doing it because it is symptomatic of other problems. Time does not permit me to get into that.

It is these three areas. Unemployment insurance has increased 54 per cent since this government came to power in 1988. That is double. There is the eventual removal of our medicare system. We have just started the first chip at the block. It is going to be chipped away. I pointed out to the House yesterday that if things keep going the way they are by the year 2000 there will not be any money left for medicare. The third one is cutting off our nose to spite our face by reducing the funding to the provinces for post-secondary education. It may in the short term save us money, but in the long term it is going to make us less competitive and put us in a position where it is going to be more difficult to prevent us from sleep walking into extinction.

I believe that is what is happening right now. I do not like it. I am concerned about it. I hope the expressions of my concern are not seen as just a partisan belief or a chance at government bashing. If I have established any reputation I think it is one for not so doing.

I do not like what is happening in this bill. I know my colleagues do not like it. I hope that there will still be some chance for a reprieve. We are through report stage. I appreciate that, but certainly when this bill comes up for passage in the near future I can assure you that it will not get my vote. I do not think we are doing the proper things to keep the country on an even keel and to look after the poorer people, the common man and the common woman. We are giving them another tax on top of the GST and 30 other taxes. I believe there has to be an alternative.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, it is kind of routine to rise in this House and say something to the effect that it is a pleasure to speak on Bill C-20. However it is not. I am tired of having to speak to bills like Bills C-96, C-69 and now C-20. It is really quite bizarre, if not hypocritical, that I left a meeting of the committee on industry, science and technology where the Minister of Industry, Science and Technology is defending the government's prosperity through competitiveness agenda which focuses, as I think you know,

on the importance of science and technology and education and training in Canada's economic survival.

• (1630)

After seven years in which this government has continually cut back on training, on education and R and D, suddenly the government has awakened to the fact and wants to awaken the people to the fact that the priorities for future economic development in R and D and education and so on must be seen by them to be a priority in spite of the failure of this government itself to recognize these as priorities.

I really want to focus on the issue of post-secondary education, but let us look at what the government members say in this prosperity agenda. They say that they want to eliminate illiteracy in the country. They want to quadruple the number of trainees produced in industry, but most significantly in the context of this debate they say they want to double the number of scientists, engineers and mathematicians that our university system produces.

Yet this is a government that has followed in the trail of the Liberals in producing legislation that has been subject to debate in this House, covered in Bill C-96 and Bill C-69 and now Bill C-20, which will lead to an accumulated cut of $9 billion to the post-secondary education system.

As I said they were not pioneers in the field. We will recall the changes made by the Liberal governments between 1977 and 1984 which themselves led to a bleeding from the post-secondary education system of $5.7 billion.

As we are now trying to address the whole question of how Canada's international competitiveness can be improved, we are left with the legacy of the previous government and the actions of this government continued in Bill C-20. The effect already has been catastrophic. Yet they have nerve enough to go round this country talking to people, trying to convince people that they should understand the significance of training and education, when this government utterly failed to act in respect to education in spite of its great importance.

The impact has been tremendously severe. It has affected accessibility. It has affected quality. It has affected costs as these costs have had to be picked up by students and faculty in the various provincial post-secondary educational systems.

Let us look at the example of Newfoundland where its single university, Memorial University, has had to cut its budget as a result of this government's actions by $10 million. It has increased tuition by 5 per cent and it has cut 100 employees.

Along with what this government has done with the challenge program and the student loans program, we have a situation at the University of Alberta where the tuition for the last two years has increased by 35 per cent. They now have there food banks for graduate students. This is because of the failure of this government to recognize that even in the context of a deficit there are spending choices that can and must be made. One of the priorities that should have been recognized by this government was expenditure in order to improve the capacity of our people to bring their knowledge, their training and their skills to the economy to make Canada more prosperous, because its people were more capable of exercising their talents.

The deficit has been used as the excuse when in fact the deficit is a function and a reflection of the deteriorating economy of this country and the failure of this government and previous governments to recognize what must be done to ensure that we have products we could sell to other nations and to our own people in competition with what is imported into our country.

Bill C-20 is another example of failure. It is an example of hypocrisy. Even now as we are moving to cut financing of post-secondary education, we have the minister down the hall saying that Canadians must recognize the priorities that this government and people must have if we are to become competitive. It will cut $9 billion from post-secondary education.

What the minister said and what this government has been doing for the last seven years is unparalled in the history of Canada. I do not know whether it is unparalled in the strict sense. It is unparalled in its failure to have actions match words. It is unparalled in the destruction

that has already been brought to bear on this country's capacity to survive economically and indeed politically.

Bill C-20 is another sign that this government does not know what it is doing. It will never learn and should be cast out of office.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I take this opportunity today to discuss the effect Bill C-20 has on one aspect only. That is the health care system of Canada.

Much of what I intend to say I have borrowed from very succinct and very well researched articles by Carol Goar of *The Toronto Star*. I certainly recommend this series of articles to my friends across the aisle. particularly to the minister of health. They are well research and very informative articles.

I have listened to the debates on the issue carefully and must confess that I am dismayed at what I have been hearing. I am particularly upset with this government for being so short-sighted in its approach in failing to provide the leadership to ensure that we retain an effective public health care system for all Canadians.

It seems to equate effective public health with dollars. What we have heard is if this government loosened the purse strings or gave the provinces what they wanted, our health care system would be automatically fixed. We all know that this is simply not correct.

Even if all financial constraints were lifted today, our health care system in Canada would still be in some difficulty.

We have just celebrated the 30th birthday of Canada's health care system. It is one of the best in the world. Canadians do not have to face the prospects of financial ruin should they get sick. Being poor in Canada does not deny you from being treated by a doctor or being admitted to any hospital. We can all be proud of the rigid standard of care to which most health professionals are committed.

In the last 30 years, provincially and federally, with a constantly expanding economy, governments mostly did not question the growth of the cost of the medical care system. Today we find this experience of the last 30 years can no longer continue. This government and every province are faced with increasing deficits. The deficit of this government continues to be in the neighbourhood of $30 billion. Our national debt now far exceeds $400 billion.

• (1640)

Thirty-seven cents of every tax dollar collected in Canada today does not pay for one doctor's visit, does not pay for one medical procedure; 37 cents does not pay for one drug administered, does not pay for one hour of nursing care or does not pay for the use of one hospital bed. Out of every dollar collected, 37 cents goes to pay the interest on the national debt. That means we have 63 cents remaining to administer to the affairs of this total country. Health care, as we all know, takes a substantial amount of the balance.

What I am trying to get at is what we have to do and what this government must do to try and find a new way. That is where this government has failed. We must begin to restructure our health care system and this again is where this government has failed. We must develop a comprehensive national strategy and again this government has failed to do that.

A government cannot unilaterally cut health care costs in this country, as it is trying to do with the legislation that is before this House today. A federal government must take the lead with its counterparts in the provinces and the municipalities to bring into line and to bring into focus the competing bureaucracies, federally, provincially and municipally, all that are involved in the health care system.

A good federal government must take the lead to define what a health care system truly is. Remove those social programs that have become a financial albatross around the necks of the health delivery system and we should take health related matters right out of the health budget so that we can truly define what it is.

A good federal government must take the lead to be rigorous in assessment, to prove the value of new technologies, to prove the value of expensive drugs and other costly health procedures.

A federal government must take the lead to monitor carefully treatments that may be done in homes of Canadians or clinics rather than the use of expensive hospital beds.

A federal government must take the lead to establish systems that monitor Canadians who have preventable diseases so that they can find out what these diseases

are. They can no longer be ignored until they reach the expensive crisis stage for treatment.

A federal government must take the lead to monitor national services in each community so that there are no longer any expensive duplications in the delivery of health services. Long-term joint planning is an absolute necessity.

A good federal government must take the lead to make the moral and ethical decisions as to what will be allowed by way of delivery of health care to all of our citizens.

A federal government must take the lead to advise all Canadians that user fees will not be tolerated anywhere in Canada. In this way, assure all Canadians, especially seniors and the poor, those less fortunate, that they should never have to worry about the extra costs associated with ill health.

A federal government must take the lead to renew the health system from within, using those invaluable human resources we already have within our health care system.

A federal government must lead the way in all these important areas, working in close co-operation with the provinces and the municipalities, all which are already involved in the very important health care field. We need a government that is willing to make difficult decisions necessary to bring discipline to the system of the delivery of health care in Canada. Only then, only once we have made those strong and bold decisions, can we retain our health care system. We can then not only retain our health care system but strengthen it and make it stronger than it is today for ourselves and for all future Canadians.

A Liberal government is committed to the principles I have set out in this short essay. The cutting of transfer payments is not the way to do it and this government should be embarrassed for thinking that it is.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, it is my pleasure to engage in debate at this stage of this bill. My hon. colleague opposite has spoken quite eloquently in consideration of the provisions that are put forward.

We in the Liberal Party are extremely concerned about the erosion of federal transfers to the provinces in this country. We are extremely concerned that the government is seriously affecting the ability of provinces right across this nation to be able to provide services of national standard no matter what the wealth position of the particular province is on a given day, or a given month, or a given year. We are very concerned that the government through its actions and through some of it own fiscal mismanagement has transferred the burden of its debt down to the poorest of the poor.

The problem that we have is that at some point freezes, cuts, and holdbacks from programs always have the effect of hurting the people that least can afford to bear the burden of that hurt. One of the big concerns we do have is the effect of the cuts to Established Programs Financing. The cuts to Established Programs Financing in this country have been absolutely awesome over the last few years.

The government has initiated a freeze on transfers to the provinces under EPF. The government at the same point in time will indicate that it is fulfilling its commitment under the Constitution Act to provide for equalization payments and to ensure that equalization payments are sufficient to allow every single province in this country to be able to deliver programs of national standards.

The effects on the freezes on EPFs that this government has undertaken have been absolutely dramatic. When we were studying another bill at pre-study, Bill C-22, the Bankruptcy Act, we had a submission put to us by the Canadian Hospital Association. The Canadian Hospital Association presented us with a brief and I indicated to them at that time that the particular brief may not be that appropriate for the bill we were studying at pre-study, Bill C-22, but I certainly knew that it had a great deal of relevancy and that it would be debated and that I wanted to quote it in this particular place.

The erosion of health care, the erosion of the ability of every province to have universities of national standards, the ability of each and every province to be able to deliver health care of national standards has been severely threatened by this government.

If you look at the effect of EPF savings over what was anticipated with the regular growth of EPFs, the dollar amounts are startling. Between 1986 and 1996 the federal government will have saved $29.998 billion. Nearly $30 billion it has cut from the anticipated transfers to the provinces for health care.

That is shameful, Mr. Speaker. This is at the same time, if you look at it, that provinces like Newfoundland, Nova Scotia, or for goodness' sakes provinces like Saskatchewan, have not seen their lot in Confederation get any better. In actual fact, in relative terms, their

disparity against the national average economically is getting worse.

Instead of recognizing that the federal government has a responsibility to ensure that transfers to the provinces are sufficient to meet that objective in our Constitution Act, that equalization payments shall occur to ensure the programs of national standards are able to be maintained, what does it do during this period of decline in the poorest of the poor provinces? It cuts back.

It is not as easy as the government would have us believe, that it can walk forward and can say easily: "Well, Nova Scotia, we have cut back on what you expected us to transfer for health care. You will have to make it up somewhere else". "Newfoundland, look we are sorry about this but we cannot give you as much, but you are still supposed to be able to deliver the same standard of health care to your people as was provided by the Government of Ontario, or the Government of Quebec, or the Government of Alberta". Thirty billion dollars cut because of freezes on EPFs.

• (1650)

The health care system in Canada is in peril. Provincial governments who want to ensure that universality of health care is maintained in their jurisdictions have been put against the wall. What are they to do?

In a period of 10 short years the federal government has deprived the provinces of Canada of $30 billion that was to go toward the delivery of health care services. Just a few weeks ago the Conservatives got up on their hind feet, bayed at the moon and said: "We are going to talk about prosperity. We are going to inflict prosperity on the country with new initiatives". Their new boondoggle was to go around and consult Canadians about prosperity.

Anybody who has an ounce of sense in their head knows that the prosperity and competitiveness of any nation is directly linked to the quality and level of education provided to its citizens. When a country decides that it does not have the money to invest in education for its young then five or ten years down the road you will see a decline in the competitiveness of that nation, a decline in the per capita output, and a decline in the quality of life in that country.

The government likes to talk a good deal about inflicting prosperity. That is its latest buzzword. The facts are that the cutbacks this government has undertaken between 1986 and 1996 will see $12.109 billion cut in the transfers to the provinces that allow every province across this country to have affordable post-secondary education of national standard.

This government's 1986 to 1996 program of cutbacks has ensured that education and the dream of a post-secondary education has become a dream that only the wealthy in this country can afford. That is what this government has done.

Nova Scotia is not a rich province but we have a heck of a lot of resolve down there. We have some of the finest universities in Canada, and they have been there for a long time. My colleague from Saskatoon who taught at one of those universities knows that is the case. I think he taught at Saint Mary's University. In the good old days at Saint Mary's University, the students could come and get a small student loan and know they could get a quality education. The tuitions have had to go through the roof.

At Dalhousie University, just down the road from Saint Mary's in Halifax, the students basically had to barge in and occupy the senate building while the administration of the university was trying to figure out how to grapple with rising costs because it is not getting the money from the federal government.

As much as I am concerned about health care, I know that this government will use every single opportunity it can get its hands on to cut those essential transfers to provinces, the lifeblood of many of these provinces, allowing them to maintain programs of national standard.

The government says: "We are concerned about medicare". If it is so concerned about medicare and about whether or not there are going to be user fees in Nova Scotia and New Brunswick it should not come in with punitive legislation that will allow the government to walk in and withhold funds in other areas in which it has already cut back. If the government is truly interested it should not be introducing Draconian legislation like we currently have before us and are debating. If the govern-

ment is truly concerned about the erosion of health care in Canada it should not seek to penalize those provinces it has driven to the brink as a result of its cutbacks.

The Conservatives should recognize that they are the authors of Canada's misfortune in our health care field, not the provinces. They should remove the freeze on EPF funding that they themselves have imposed. It is that freeze, not the provinces, that has jeopardized the universal medicare program a Liberal government introduced and which has served this country so well.

Mr. Derek Blackburn (Brant): Mr. Speaker, I am not going to say that it is a pleasure for me to take part in this debate because it is not.

I feel obligated because what we are discussing here today is yet another characteristic of the present Conservative government and its determination to further erode the fiscal arrangements between the federal Government of Canada and the various provinces.

Bill C-20 is really a bill to transfer debt, not payments, from the federal government to the provincial governments in this country. Then the provincial governments are forced to pass on that debt and that debt burden to the municipalities.

Now, instead of the federal Government of Canada assuming its debt responsibilities here in Ottawa, the buck stops at the council chamber of the various cities, towns and villages across this country.

It is manifestly unfair and dangerous that we should be engaged in this kind of buck passing from the federal level to the provincial and the municipal levels. The people at the municipal level may not be able to understand or conceive of billions of dollars but can certainly understand, conceive of and appreciate cutbacks in the realm of hundreds of thousands of dollars as seen at their level.

First, I would like to point out that we are not curing any of our economic ills, problems and challenges in this country by passing debt from the federal government to the provincial governments, and they in turn to the municipal governments.

Second, it is absolutely disgraceful that a federal government should continue to cut back on the amounts of money it passes on to the provinces for the specific purpose of post-secondary education.

It is a well-known fact that the best universities in our country today are suffering badly from a lack of funding. It is a well-known fact that our libraries, research facilities, teaching capabilities and our learning environments across this country are suffering from a lack of proper funding.

That means that not only are our universities not living up to world-class status but various faculties and departments within universities are losing their world-class status. I am referring to such eminent universities as the University of Toronto, McGill University, Queen's and so on.

This is not a criticism of the academic capability of the teachers and students in those institutions. However, it is a fact that all institutions of higher learning in our country are suffering as a result of a very unwise policy on the part of this federal Conservative government to cut back in that area which we should be pumping more funds into, namely the research and development that industry and commerce will need in this country if we are to survive in this increasingly competitive world.

We have to make certain that more money is pumped into research, not only research and development but in skills, training and basic educational upgrading.

I represent a constituency that has been severely hurt by this recession. Yet when I look at the number of persons drawing unemployment insurance I see that the proportion of those on UI today simply drawing unemployment insurance and not in training or retraining programs is exactly the same as in 1981-82.

It has not changed one iota. We have not improved the retraining and upgrading of skills during this recession compared to 10 years ago in the 1981-82 recession. In other words, this government has not learned anything.

It talks about competitiveness and it talks about globalization, yet it is not prepared to make a concerted effort to improve the funding for research and development on the corporate side or improve the amount of funding going into job skills, job training and basic elementary educational upgrading on the worker side, the so-called adjustment side. This comes at a time when we are suffering not only from a severe recession but from all the strains and stresses brought upon us by the free trade agreement with the United States, which will be made worse if that trade agreement is expanded to include Mexico. That also is an area in which this government has been most unwise and injudicious in its

spending practices virtually since 1984, but certainly the last couple of years.

• (1700)

Finally, the issue of medicare has been raised by speaker after speaker on this side. Nobody is getting up on the other side to defend the government's position on cutbacks to the provinces that will adversely affect medicare in this country, but certainly speakers on this side of the House have mentioned it time and time again, today and in previous days during this debate.

The Canadian medicare system is undergoing stress and is having problems, not all of which are financially based but a great proportion is financially based. We fail to understand the vision that brought in medicare, not just the dollars and cents, but the vision behind medicare. Medicare was originally conceived as not just a humanitarian approach to helping the ill and curing the sick but as a concerted, philosophical effort on the part of previous governments to make certain that all Canadian citizens, regardless of income or social position, regardless of what assets they might possess, had equal access to the very best medical treatment this country had to offer.

That is a basic moral and philosophical commitment this government has forgotten. This government is looking at medicare through the eyes of an accountant and an accountant only, not through the eyes of those of us who look upon medicare as one of the foundations of social policy in this country.

When you lose sight of the moral and philosophical aspect of medicare it is very easy to sit back with an accountant's pen and, over a very short period of time, maybe three, four or five years, see medicare disappear as a social medical program. Before we know it we are going to have user fees. We are going to have all kinds of added costs to our medicare system that will eventually return us to the system I recall from the 1950s when if you had money you had the operation but if you did not have the money or asset you could not have the operation.

An hon. member: Oh, oh.

Mr. Blackburn (Brant): I am being accused of spreading scare tactics. That is not the point. The point is that already medicare is beginning to fail. American critics of our public medicare system are using those arguments to fight the more progressive liberal forces in the United States that want a publicly funded medicare system in their country.

When Conservatives across the way accuse us of scare tactics all they have to do is look to the arguments being used in the United States by their fellow conservatives in that country against the medicare system. Their arguments are based on facts that are evolving out of this government's eroding of proper funding for our medicare system.

It is totally unacceptable, and the people of Canada know it, that this government should continue to erode medicare. We are a country that is aging. As the population gets older it is going to become more insecure if people know that they have in power here in Ottawa a government that is no longer morally committed to public medicare in this country.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, it is a privilege to speak again on this bill now that it has been through committee and is back in the House. This is a bill that demonstrates the fundamental approach being taken by the current government to this country which is contrary to our whole history, contrary to the sense of sharing and creating equal opportunities for all Canadians which has been our tradition since its founding.

I want to speak briefly about some of the programs that are going to be seriously damaged by this bill. I want to start with the fundamental principle that I think should apply when we look at programs like education, medicare, unemployment insurance, young offenders services, the general sharing of revenues between the federal and provincial governments and down to the municipal and community life of this country.

The fundamental principle which this government likes to tout and talk about, but seems to have a great deal of trouble actually respecting when it comes to implementing legislation, is the simple statement that our most important resource as a nation is our people. I have heard that often from the government benches.

Every time I see legislation, it is legislation that ignores that principle entirely. Let me touch on some of the principles of this bill that I think do that.

Fundamentally, if we believe that people should have an opportunity to develop the best of their talents and make a contribution to Canada and if we believe in a society where every citizen should have the capacity to develop to the best they can be, we believe in education.

If we believe that we are facing an increasingly global competitive situation that Canada must be part of internationally, then surely we believe in education at the post-secondary level for any citizen who is capable of achieving the standard to achieve a higher education.

What does this bill do? It says that the federal Government of Canada, the government with the responsibility for the ability of this country to compete internationally in a new world where knowledge is going to become at least as and probably more important than resources, is going to cap its contribution to post-secondary education in Canada. That means we are going to continue four more years the cap on the ability to develop and use the talents of all young Canadian people. It means a cap on the ability of people in mid-career who find they have to shift the direction of their career and training. It means stopping their ability to return to university, to be able to adapt to the changing economy and the changing world environment the government is so fond of preaching about.

If we need one concrete example, I need only refer to a statement from the Siemens Corporation, which is hoping to create 3,000 new jobs in Canada in the next short while. The main reason it may decide not to do that is because it is not sure it can get the qualified people. However, this government wants to cap its spending on education.

It wants to put a cap on social services. We have all heard numerous times in this House the statistics about poverty and what poverty ends up costing us if we do not deal with the poverty of children. We know that children living in poverty are four times as likely as the general population to drop out of high school, to never complete high school and therefore never to have the same employment opportunities, the same opportunities to contribute to the Canadian economy, as children who do complete high school and perhaps go on to university.

With this bill the government is ensuring that the ability of Canadian provinces and Canadian communities to deal with the issue of the poverty of one million children in this country is capped. It is capping our ability to deal with the poverty of children who are more likely to be seriously injured, more likely to die, more likely to commit suicide because of poverty.

It is not good for the health of this country that children and families live in poverty. Yet this government is saying: "We are not prepared to share the resources of this nation to solve the problems of poverty and to let young children grow up into adults who can participate and make a full contribution to Canadian society".

• (1710)

At a time when small businesses are experiencing bankruptcies at a highly elevated rate, and I remind the government that small businesses create 80 per cent of the new employment in this country, 80 per cent; at a time when we need employment and we need small businesses to create those jobs, this government is increasing by 24 per cent the unemployment insurance premiums, having said less than two years ago that the unemployment insurance premiums were fixed and would not change for three years.

I hope we will remember that it was only two short years ago that there was a substantial and damaging increase in unemployment insurance premiums. Only two years ago, at the same time that the GST was going to be hitting small businesses, they were also hit with an increase in unemployment insurance premiums, not to mention employees and workers in this country who are paying higher premiums for less coverage. What other provider of services in Canada could get away with that, pay us more but get less?

My final and major concern is about medicare in this country. We have a medicare system that provides health care at 25 per cent less than the cost it is provided in the United States, where it is a private health care system; 25 per cent less. We have a population that is healthier, a population that has more access to affordable health care for 25 per cent more than the cost to the United States, just to the south.

Yet this government wants to cut its transfer payments to support medicare to the point where the federal government will transfer no money to support a national health care system that has given us a strong and healthy population. Not only that, but it introduces a blackmail clause saying that when we are no longer paying out money for medicare to the provinces, we will take back money from services to young offenders, and from official language education at a time when national unity is a major concern. What a ridiculous thing to be even contemplating.

The blackmail clause on medicare is especially insidious, quite likely unconstitutional, and yet this government persists in saying "we will undermine the medicare system for the sake of short-term goals" that are more motivated I believe by politics than by good policy.

A great deal more time would be necessary to speak to all the failures of this bill and all the weaknesses but a diminution of looking after our primary resource, our people, is not a productive and helpful thing to do when our economy is already faltering, when we are far from out of a recession and when what we need to be is more capable, more productive, better educated and healthier.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, it is not a happy moment for me to have to get up and speak on Bill C-20. This piece of legislation, I feel, is a pretentious omen of things to come from this government.

It is a bad piece of legislation. It has extremely harmful ramifications for Canada's social programs, extremely harmful ramifications for the future of our educational systems in Canada.

It is through the bill the government is signalling its determination to destroy Canadian institutions and essentially a Canadian way of life. The bill is essentially a signal of the beginning of the end for Canada's universal medicare system as we know it today and a slow but inevitable erosion of the federal commitment to our post-secondary education programs across this country.

Health care, post-secondary education, the unemployment insurance program, to name a few, are the victims in this bill, the victims of a Tory corporate agenda, a continued and unrelenting attack on our basic social structure in Canada and a harmonization of a style of government that becomes more and more familiar to us as a pale copy of a market driven system that is present in our neighbour to the south.

The capping of the federal contribution to education through the legislation, capping the Established Programs Financing funding to education, is essentially a betrayal of our young people in Canada, a betrayal of their future. It is forcing students to mortgage their own futures in order to obtain their futures.

At the same time this government continually speaks of the need for international competitiveness, of a trained labour force, and at the same time it is doing that it is chipping away at the very foundation whereupon that competitiveness can be built. Unless we have a highly skilled and highly educated work force, Canada can never hope to be competitive in this global economy. At the same time that it talks about this need for global competitiveness, it erodes the very foundation of our post-secondary education system in Canada. It is getting more and more and more expensive for a student to obtain a post-secondary education in Canada today. It is becoming essentially an opportunity for those who are better off in Canada, but certainly not an opportunity for students who maybe through their own recourse do not have the financial capability of obtaining their education.

The government has claimed that it has to cut back on these programs, on the delivery of health care services to the provinces, on the delivery of funding for post-secondary education. It has to withdraw or cancel its funding from the unemployment insurance program because it claims that the cupboard is bare. That is the message that has been repeated time and time again: "The cupboard is bare". Yet, by the government's own admission, it has suddenly found over $8 billion in unpaid corporate taxes in this country in tax deferments. We see $53 million that the government has squandered on a high-tech on-line communications service through the Ministry of External Affairs to the embassies throughout the world, a service that is redundant before it has even been brought on line, a service that is still not working. There was $53 million squandered on that particular program.

We see a government that has found funding, and legitimate funding I might add, for employment opportunities in Quebec, and yet at the same time sits on its hands when jobs are lost in my home province of British Columbia, completely ignoring the plight of the forestry industry in British Columbia and ignoring the plight of our fishermen on the west coast and in the Atlantic fishery. People wonder about the equity and the fairness when the government claims the cupboard is bare and yet finds these funds and finds the $8 billion that it has simply ignored and refused to collect from corporate

Canada which has not paid its fair share of taxes. At the same time it withdraws its support of the unemployment insurance program and forcing the small business community in Canada and workers of Canada to pay a larger and larger share in order to finance the unemployment insurance program. It has been a terrible burden on our small business community in Canada.

I have talked with small business people in my constituency in the Okanagan—Shuswap. Many of those businesses are finding a pretty tough time during the current economic situation. Those extra costs of having to bear that burden of UI, of having to administer the GST are placing many of those businesses in a very, very untenable situation indeed. I want to focus for a few moments on the federal cutbacks to the health care program. The transfer payments to the provinces and the territories through this legislation, the transfer payments which have been frozen over the last few years, are going to be extended for another three years up to 1995 through this Bill C-20.

• (1720)

These preliminary calculations show that this total freeze of some five years on these transfer payments for the established programs is going to result in the loss of some $13 billion to the provinces. Somebody is going to have to pay it or else there is going to be a significant erosion of those programs. It places more of a burden on the provinces and ultimately on the taxpayers in those provinces to fund programs that historically and legitimately should be paid for by this federal government. This breaks down over the five years to a loss of some $9.5 billion for health care services. I would submit that there is no way that the provinces can make up that loss without a significant erosion in the standard of health care.

In British Columbia alone that will amount to a loss of some $1.14 billion to health care in British Columbia. This is a significant loss in funding for a province whose health care systems are already taxed to their fullest, and I would submit right across this country.

This is the consequence of this legislation: the erosion of health care, the erosion of post-secondary education, the erosion of institutions in Canada that have become very much a part of the fabric of this Canadian nationhood. This bill is the signal of the end for those programs. It is a bad piece of legislation and it is a sad day for Canada.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I rise today to make some comments on Bill C-20, a bill that has been introduced to implement some of the initiatives of the February 1991 budget.

We have to look at Bill C-20 for what it really is. It is a bill that puts into place the working ability of the government to eliminate federal transfer payments to the provinces. By doing so it will allow the federal government step by step over the years to lose control of our great medicare system for one.

This bill, by the withdrawal of funding in a slow and painful way, undermines the Canada Assistance Plan. It undermines the principle of equalization payments to the different programs. It undermines our medicare system and begins to undermine post-secondary education funding and therefore the system.

This bill, and I think correctly, has been called social policy by stealth because it puts into force a strategy by which the federal government is able to reduce significantly its financial obligations to its own programs, as well as transfers to the provinces, while simultaneously creating a mechanism through which it will be able to maintain influence over provincial medicare programs by means not provided under the Canada Health Act.

The government is saying one thing out of one side of its mouth and doing something else out of the other. It says it supports them and then at the next breath it starts to withdraw from the funding and does it in a very devious manner.

Canada Health Act entitlements, through Established Programs Financing, may be withheld by the federal government as a means of deterring a province from violating the act's requirements for national standards. Therefore the established program funding transfers are gradually reduced and the federal government loses its leverage for enforcing the medicare principles. This is

what the Minister of Finance was talking about in the 1991 budget when it was tabled and the freeze on the EPF transfers was extended through to 1994 and 1995.

The Minister of Finance said: "I recognize that limiting the growth of transfers under the Established Programs Financing raises concerns about the ability of the federal government to continue enforcing national medicare principles under the Canada Health Act". I beg to ask this House and Canadians: If that is a sincere concern, why did he go ahead and do it anyway?

What has been done? In short, Bill C-20 will allow the federal government to deduct Canada Health Act penalties from cash payments owing to the provinces under any federal transfer program. This legislation goes way beyond withholding EPF entitlements. Provisions within Bill C-20 have the potential to undermine the full range of federal transfer payments. The government can now turn an individual or a business or a city against a province which has violated the Canada Health Act.

The federal government will be enforcing its policies by punishing innocent people for violations of others. I repeat: social policy by stealth.

What are some of the areas that can be affected? Under Bill C-20 the health care practices of a province will now have a direct impact on any group relying on funding for cost shared programs. The list is long. I will just give you, Mr. Speaker, some of the letters that have already come from my constituents and organizations. This is already coming down through the provinces.

I have a letter from Cathy Mates of the Quinte Literary Council which reads: "I recently received a letter from the Fellow Family Literacy Workers and was greatly disturbed to discover the education, community and social services ministry are considering discontinuing social assistance recipients funding for our programs". She goes on to say that it is because the funding is being cut back by the province.

I have another letter from the executive director of the Quinte Regional Credit Counselling Service, Mr. Richard Bower: "Ontario Ministry of Community and Social Services has chosen to cut completely credit counselling services. I was visited in my office last week by the executive director of the Canadian Mental Health Association, Hastings and Prince Edward branch. The enclosed material will give you a brief outline on how we feel the federal government might play a part in minimizing some of the suffering your constituents are experiencing due to cutbacks in funding". Those discussions went on to say what was happening and that the funding was being withheld from the federal government to the province.

One program can be played off against the other. If a province does not live up to the standards that the federal government sets but does not wish to fund, it can withhold crop insurance funding to farmers. It can withhold funding to programs that deal with disabled persons. It can withhold funds that would find their way into legal aid and compensation programs for victims of crime. The list goes on.

Another impact of this bill is the impact on post-secondary education funding. This very same bill repeals a number of sections and implements a low growth strategy in transfer payments to the provinces.

We all know it is quite conceivable that very soon the tuition fees at universities will probably hit $3,000 a year. The government is forcing higher education out of reach of the average Canadian. It is the average Canadian that we need to educate in this country if this country is to have any hope at all of being competitive on the world market in the next century.

Bill C-20 also announces a 30 per cent premium increase in UI premiums. The government said with the implementation of Bill C-21, the UI bill two years ago, it was withdrawing from the financial obligations to the unemployment insurance fund and that it was implementing a plan which would make the fund self-financing. It assured us that the government would make up any unforeseen shortfalls in especially hard times. That assurance has now been translated into two raises in UI premiums.

An hon. member: It was false.

Mr. Vanclief: Certainly it was false. It did not follow through on its assurances to Canadians and to employers or employees at all. Since that we have had two raises: one at 24 per cent and one at 7 per cent. That is what the employee pays and, as we know, the employer pays 1.4 times that.

In closing I would like to offer some solutions for the government to consider.

• (1730)

The federal government should first continue to play a significant financial role in both health care and post-secondary education. When I say a substantial role, I do not mean to say just talk about it and give it lip service but to follow up; in other words, put its money where its mouth is.

Second, any changes in the financing of health care and higher and higher education should result from federal-provincial negotiations rather than being imposed by Ottawa.

Third, any new arrangement negotiated for financing health care and higher education should focus on federal cash payments and who has the cash to pay for these programs once they are agreed upon.

Fourth, federal funding for health care should be distinct from funding for post-secondary education.

Federal legislation should stipulate that the cash received by a province for health and higher education is spent as intended.

Just in closing, Bill C-20 is a strategy which focuses on the negative aspects of addressing deficit reduction. It is a negative approach to solving a problem. I might suggest that Canadians have enough negative things to think about at the present time.

It is time for us to use the legislation to generate some creative solutions to our problems. Let us look at creating something good and useful in terms of our program development, tax reform and deficit reduction efforts rather than simply shifting burdens over to someone else.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to have the opportunity to participate today in the debate on Bill C-20 at third reading because this bill is a particularly pernicious piece of legislation. I can see that the parliamentary secretary is nervous at the thought. He should be up on his feet opposing this legislation too, and indeed his constituents I am sure urge him to do that. I refer to the parliamentary secretary to the government House leader.

As my hon. and very capable colleague the hon. member for Prince Edward—Hastings has just indicated in his speech, there is more than one piece of legislation affected by this bill. In fact, there are two principal areas that I would like to speak on and to criticize the government's proposal as contained in Bill C-20.

The first and most important aspect of the bill is its limitation of transfers to the provinces. This particular set of provisions has been a disaster. We have had massive cuts in the transfers to provinces since this government took office. I suggest that it is frankly a national disgrace. It is causing continual cutbacks in the ability of the provincial governments to deliver programs, particularly health, education and welfare programs for their people. Those are the three that have really been cut.

An hon. member: What about the deficit?

Mr. Milliken: My hon. friend says: "What are we going to do about the deficit?" I will deal with that in a few moments if he will just keep his shirt on.

I say that what we are concerned about are these cuts because provinces are unable to deliver on these programs, particularly the less well-to-do provinces. Ontario is becoming a have not province with the New Democratic Party government. It is running up record deficits that are going to cripple the ability of that government to operate in future when another government is restored to office in that province that is capable of managing the economy as the previous one was.

An hon. member: Liberal.

Mr. Milliken: The previous Liberal government was an extremely good government. I am glad my hon. colleague in the New Democratic Party agrees. The fact is that—

An hon. member: A $2 billion deficit.

Mr. Milliken: Yes. As my hon. colleague says, it was a $2 billion deficit under the Liberal administration in Ontario and, within a year, it grew to $10 billion under the maladministration we are now suffering in that province.

The hon. member I note is from Quebec. I can understand why he is citing these figures, because his colleagues from Ontario in his party do not dare refer to such figures in their comments in this House. They are ashamed and embarrassed by the conduct of the government in Toronto.

However, to go on with what I was saying, the problem with these cuts is that they are crippling the ability of our provincial governments to deliver these important

programs which, after all, were set up in large measure by federal government urging and federal government legislation.

The national medicare system, as every member in this House knows, was introduced by a previous federal government and the provinces went along with it. Some of them went kicking and screaming along with it, but now they are all glad to be in it except that the federal government is backing out of its obligations to fund the medical programs being delivered in those provinces. The same thing is true of education. The same thing is true of welfare.

Indeed, the National Council of Welfare has predicted that by the year 2000, as a result of the changes introduced by this government, the federal savings as a result of these cuts in provincial transfers will amount to some $16 billion a year.

That is a staggering sum of money. Clearly the provinces are going to be in very difficult straits by that time unless there is some change in the financial arrangements that are to be worked out between them.

The second is the unemployment insurance provisions. I want to quote from the former Minister of Finance, the hon. member for Etobicoke Centre, who made in his 1989 budget speech a statement that has turned out to be completely false.

He said: "The government will continue to contribute to the financing of the program"—the unemployment insurance program—"in difficult economic times when it is inappropriate to raise premiums and prudent to allow deficits to build up in the unemployment insurance account". These are difficult economic times.

The Minister of Finance, after months of prodding, finally admitted that we were into a recession last year. It is obvious to every Canadian except the minister that it is not over yet. These are difficult times. Canadian businesses are going bankrupt at record rates. Canadians are going out of the country to shop in record numbers.

I was just reading in the Kingston paper today how there were substantial line-ups at the border. They were people trying to get out of Canada to buy goods in the United States. Maybe it was the Ottawa paper. It was a Cornwall border crossing.

This kind of problem is a serious one for Canadian retailers. Canadian businesses are suffering because of this government's botched economic policies. Yet the government says that apparently these are not difficult times. It has raised unemployment insurance premiums twice, as my hon. colleague indicated, once was in July by 25 per cent which was a staggering increase, and now on January 1 they are to go up by another 7 per cent.

This is economic mismanagement on an impressive scale. To suggest that these are not difficult times and that the unemployment insurance fund ought to be bolstered by contributions from the Consolidated Revenue Fund of this country is preposterous. Yet that is exactly what the government has proposed by this bill.

My friend from Edmonton Strathcona wanted to hear about the deficit. Part of the reason we are in this financial mess is because of this government's inability to control its expenditures.

The hon. member was not running in the election of 1984, and neither was I, but I was campaigning and I suspect he may have been too. The hon. member for Fraser Valley East says he was. He must remember the promises his leader made throughout the election campaign, that when the Conservative Party took office it was going to look after the deficit right away. The top priority was to get the deficit to zero.

An hon. member: Where are you going to cut?

Mr. Milliken: We did not make that promise. He made the promise. He took office and look what he and his party have done.

Their idea of deficit reduction is to increase the deficit on an annual basis. That is what has been going on. This government has no more idea of what constitutes deficit reduction than the man on the moon.

Day after day I have stood here and said that these figures have gone up. In the last three years the deficit has increased in Canada. Every time we raise the issue and ask when it is going to fulfil the promise made in 1984 and lower the deficit, government members start hooting and hollering that they inherited this big debt and the interest payments are simply too much for them to manage because of some Liberal government before 1984.

If the deficit was so big, why did they promise to eliminate it in the election campaign in 1984? Were they telling lies to the people of Canada? Is that what was going on?

An hon. member: I have no idea.

Mr. Milliken: I have a very good idea. I knew what the deficit and the national debt were in 1984. I knew what the government was promising. I did not believe its promise.

The Canadian people were hoodwinked by the Prime Minister and his cronies who ran around the country promising to eliminate the deficit. The hon. minister is part of this group that is running this country so badly that it is running it into the ground.

It is because the government is unable to keep the promises that it made. That is the problem. If it kept its promise and eliminated the deficit, if it cut the programs it said it was going to cut, we would not be facing this kind of legislation today. We would not be facing the recession that we are facing in Canada today which, after all, was created because of its disastrous economic policies.

An hon. member: What is your alternative?

• (1740)

Mr. Milliken: The hon. member asks what is my alternative. I will tell him what I would have done. If I had made the mistake of signing the free trade agreement, which of course we did not and I opposed, we would have lowered interest rates and lowered the Canadian dollar so that business would boom in this country instead of going into a state of collapse. That is what we would have done. By lowering the interest rate and by lowering the value of the dollar, we would also have lowered the interest payments on the public debt by billions of dollars and the deficit would be lower today instead of higher. That is a fact.

Instead of listening to our very reasonable suggestions on this score, the Minister of Finance and his friend the Governor of the Bank of Canada say that they are going to pound inflation into the ground. They are going to eliminate inflation in Canada if it kills this country. And that is exactly what they are doing. They are killing business in this country. They purport to be the great party of business, the great champion of business in this country. You and I know they are destroying business in Canada. Record bankruptcies and cross-border shopping at an unparalleled rate are adding up to a disaster for this country, brought about by disastrous policies introduced by this government.

It is time for a change. The parliamentary secretary is grinning. He knows it is time for a change. He and the hon. member for Edmonton—Strathcona should get up and vote against this bill, bring the government down, force an election and give us a chance to bring in some reasonable administration that can do something about the problems of this country instead of making them worse.

I am sorry my time has expired.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I am really pleased to see that we are getting into the Christmas spirit here. It is not even December 25 but we are really getting into "the night before Christmas".

I am surprised because every time we get into a debate like this I wish we could stop pointing fingers and laying blame. The situation right now is that we are stuck with a very serious problem. Hold on now. There are two sides to this coin. I think both sides are right and both sides are wrong, in a certain sense. I will tell you how they are.

It is true that the Conservative government inherited a terrible deficit. It is true that a great deal of the problems we have today are due to free spending by the federal Liberal government at the time. Money was just being thrown out the window. I believed that and I was not running in any election. I was just an observer. I was a Canadian taxpayer and I was upset. I was even more upset to see that orgy of patronage. I do not know if you remember the dying days of that Liberal government, but it was an orgy of patronage where everybody in the know was getting a job and the money was just going out the window.

Since that time we have had a Conservative government and I think that the Conservative government has made an honest attempt to cut costs in some areas. But in cutting costs it has attempted to push the problem over to the provinces and on to the backs of the people who are least able to accept these cuts.

Mr. Thorkelson: Where should we cut?

Mr. Edmonston: The next question would be: How could we have done it? I am quite surprised that the Conservative government would ask someone in opposition because it should know what to do. Unfortunately they do not know. There are a lot of things that can be done. The NDP has had a policy dealing with what cuts could be made without actually hurting the people who are least able to accept these cuts.

We have said in the past that there is a minimum corporate tax that could be levied. We said that over and over. When I look at the United States and I look at the minimum tax that it has levied, I do not see that has had a specific negative effect upon business. Look at the corporate tax loopholes and the reports from Statistics Canada saying it is not necessarily these programs that are causing this deficit. Statistics Canada, not too long ago, said the problem we have with the deficit today is because of the huge deficit left by the Liberals to the Conservatives when the government changed.

That is a result of the fact that the government has had a huge carrying cost on that debt and has been unable to cut government expenses.

If this government really wants to know how to cut expenses, 24 hours ago a brilliant document was released showing ways to cut expenses. It is called the Auditor General's report.

It talks about billions of dollars being unaccounted for and millions of dollars that could be saved. Yet when we as parliamentarians come before this House and say "look, government, we are not in favour of cutting grants to the provinces for education and for health", this government gets into partisanship to the extent that it says: "Well, where do you want us to cut?" It is as if the Auditor General did not even exist, as if there was no independent, non-partisan basis from which it could seek a kind of Rand-McNally map on sound fiscal management. We have that. We have the Auditor General.

I would mention to the government side that some people have proposed fiscal reform even in the Liberal Party. There is a parliamentarian by the name of the member for Broadview-Greenwood. He wrote a very interesting report on a single tax. There are some parts in his report which show that we could have fiscal reform, generally balance our books, and at the same time not attack those people in our society who are the least able to afford these tax increases.

That is where we are today. We are at a philosophical crossroads. Do we continue to tax people who are least able to afford these tax increases while Canada is being run into the ground? Whether you are Liberal, Conservative or NDP you must admit that when you go to your constituencies people are telling you: "Stay out of our lives, federal government. We are tired. Every time you are active in Parliament our wallets get thinner".

This is what is happening with people from across our country. We are all hurting. When I say we are at a crossroads I am saying that people do not want to see education and health care cut as Bill C-20 proposes.

That is wrong. There are other alternatives. We have given you some. The Auditor General has given you some. I just hope that when you hear these proposals coming from the NDP, the Liberals and the independent Auditor General, you will wake up. The closer you get to the next general election the better chance that you will wake up. I hope you will not wait that long because generally what happens before an election is that the government in power starts to give out goodies across the country to win votes. I hope it is a thing of the past because it is no way to build a Canada.

We do not have what is called "cheque book federalism". I hope the only reason we will vote for a political party and the only reason we will stay federalists or Canadians is not because you have given our particular province more money than another one or because you have bought us off. Canadians cannot be bought but they can be angered. There is an angry mood in the country right now.

The mood is so angry that people in different provinces are getting together and forming tax advocacy groups for their own protection. It has happened in my own province of Quebec and I think they are doing the right thing. We are on the verge of a tax revolution. People are saying: "We are paying more and more taxes and getting less and less services". Bill C-20, which seeks to cut the transfers to the provinces particularly in the area of health and post-secondary education, is an example of the government cutting in the wrong place.

Let me tell you about the feelings of the average middle-class Canadian today, seeing what we as parliamentarians have done as far as taxation and the failure to cut expenses.

• (1750)

In the field of secondary education, in Quebec we have a *taux de décrochage* or a dropout rate of approximately 38 per cent. Thirty-eight per cent of students drop out of school. The students are our future. They are our future in Canada and right now we are pushing off to the side 38 per cent. That is a terrible number. It is terrible. There is no way that should be allowed in any country. Rather than adding to the financing of post-secondary education we are taking away.

Look at health care. From the province of Quebec's angle, when we look at health care we desperately do want to keep respecting national standards. However, how in the name of Jehovah can you ask us to respect national standards in Quebec when you keep paying us less, when you keep saying: "We want you to run a marathon, but we are going to give you Reeboks made of lead"? You just cannot do it. You cannot carry out the services. The average middle-class taxpayer who wants these services, wants national standards, and wants fair taxation is angry. We are on the verge of a revolution. We are on the verge of this anger being channelled into some very serious demands for reform.

In conclusion, I and my party are against this bill. The reason we are against this bill is because the government has not woken up. It is not cutting in the right place. Unfortunately we will not be able to do much about it except talk until the next election so I wish the government would call an election as soon as possible.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I am very pleased to speak to Bill C-20 this evening. This particular bill is one that tries to turn down the tap of government spending. It does not turn off government spending but it attempts to turn it down a little bit. There are a lot of Canadians out there who are starting to become concerned about what the aftermath will be when the government moneys slow down a little bit, particularly in the context of a recession. Keynesian economics shows us very clearly that this is the exact wrong time to cut down on government spending.

In any event, how did we get here? How did we get into this situation where we have to radically alter the way we fund transfer payments to the provinces, the way we fund government programs? Are all of the services provided by the federal government, by the provincial governments, by the municipalities that are funded by these EPF transfers and the other funding mechanisms referred to in this bill continued? The needs are there in education, health, unemployment insurance and others. In the recession these service needs are actually growing. They are not slowing down. Even in the recession they are growing.

Why are we in this position now? There are several reasons and I know we will debate them in this House for many years to come. It is my view that following the 1982-1983 recession, when there was a sequence of large deficits totalling about $167 billion, there was a period of good years, roughly from 1984 to 1990. We cannot necessarily fault a government for a recession. These things happen cyclically over history. We have recorded them and watched them all through this century. However they do occur. They may be a necessary evil. However in this particular case, in this recession we are in now, there was real evidence that the government permitted or induced the recession with its monetary policy through the Bank of Canada.

That was a government policy decision. It is not going to walk away from it. To keep interest rates high was a decision of this government. The result has perhaps been a double-dip recession, not just a single scoop.

In any event, it is my view that between the two recessions, the one in 1982-1983 and the one we are going through now, the government failed to properly address the deficit position the government was in then and it failed to properly manage the economy. It was mismanagement to fail to take account of the growth in the EPF funding structures, to fail to take account of the potentials for government surplus. In the good years it actually mismanaged our economy.

The result is that we have to deal with this recession not from a position of strength but from a position of weakness. Canadians are disappointed in that. They are disappointed in the last five or six years. That is how we got here.

What are the result and the impact on Canadians? I want to mention two things. First, and there are numerous ways to look at this piece of legislation, is the erosion of the government's commitment to the unemployment insurance fund. Other colleagues of mine from the New Democratic Party and possibly even from the government side have mentioned that it was clear at the time of the 1989 budget that it was the government's intention to buttress the unemployment insurance fund so that premiums did not have to be unduly raised.

I know it has been mentioned before. However, I just want to mention again the words of the member for Etobicoke Centre himself who stated that the government will continue to contribute to the financing of the program in difficult economic times when it is inappropriate to raise premiums and prudent to allow deficits to build in the UI account. That was confirmed in other debate in this House and in the the other place.

This particular bill authorizes, and we do not want to support that authority, an increase of 24.4 per cent in the UI fund. Having put that in place, if this bill passes we have a follow-up increase of another substantial increase.

Things are now so bad in the fiscal management of this country that the government has had to renege on that promise and on others. Yes, we are disappointed and we are angry. Fiscal mismanagement during the good years has made this breach of promises and lack of preparation for the bad times come to pass now. We have to deal with this as a country.

Second, all of the money that moves from our government to other governments goes to services. A lot of it is delivered through provincial programs. We see it going to post-secondary education. We see it in the hands of welfare recipients. We are talking about the real needy, the real hungry, and the real poor. That is where this money that we are talking about today was supposed to go and now will not.

The government's response is to change the funding mechanisms as if the process is simply a piece of machinery. This government is not bold enough to go to the needy and the poor and say the cupboard is bare.

It is just going to change the mechanisms. It is in fact subcontracting that job to the provinces, the municipalities, the social workers, or the teachers. It is subcontracting the dirty work caused by the fiscal mismanagement of the last half dozen years.

That is what we are disappointed at. That is what makes us angry. That is what embarrasses us a little around here.

To the extent that this government is subcontracting the dirty work, it is doing the job blind because it does not stop to measure the impact on the real poor, the real needy and the hungry. It does not have the opportunity to see what is happening because it will not do the job itself. It does it indirectly by fine tuning, by changing the funding mechanisms.

It is very difficult to be constructive in addressing legislation like this when all you have to work with, all you see on the table, is a knife that cuts. It is very difficult to be constructive and so I cannot be. I can be critical though. I can be critical of how we got here and I can be critical of the impact on Canadians who need this type of support from government. It is a legacy of the 1982-83 recession. It is a legacy of the mismanagement of the good years, but it is still mismanagement. I wish we could repeat history and do it all over again, but we cannot.

• (1800)

We oppose this bill.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I too am pleased to participate in third reading this evening of Bill C-20, an act which will cut back on the government's commitment to education and health, as well as other areas.

During second reading of this legislation, I had the opportunity to also speak on this bill. At that time I spoke about the damage this legislation would do to our health care system, our education system, and how it was affecting the ability of the provinces to manage their budgets.

I also talked about the policies the government is inflicting on small businesses. We can see what is happening there. We have bankruptcy rates such as we have never had before in this country.

Today I want to talk about some of those things, but I also want to discuss in detail the government's claim that it must cut back on education to reduce the deficit and make this country competitive.

This government, as we know, has doubled the debt in only six years. It is planning to cut back on spending on

education and health care. According to the government it must do this to reduce the deficit and to make Canada more competitive.

I think it is wrong on both counts. First, the government's recent paper on prosperity indicates that the educational attainment of the work force as a whole is way below the levels that will be required in the future. In fact, it has been indicated and forecast that between 1989 and the year 2000, which is only nine years away, 62.9 per cent of all jobs will require at least grade 12 and 40 per cent are going to require 16 years of training. That is what is going to be required in the future.

Presently we have a work force that as a whole is below the levels that will be required. A couple of statistics regarding the present situation show that 40 per cent of adults have problems with everyday math and reading demands. In our high schools, three out of ten drop out of high school before graduating.

The future competitiveness of the economy depends directly on the skills, training and abilities of our domestic work force. It stands to reason that if a company cannot find the skills it requires to be competitive on a world scale, if the training we are providing to young people is not of a high enough standard to supply our economy with a competitive work force, then how does this government expect Canada to compete in an increasingly competitive international economy?

Certainly there are education cutbacks proposed in this bill. As you know, we have also had cutbacks in research. In fact, the federal contribution to university research and development dropped from 36 per cent in 1984 of the total university research money to 32 per cent.

You would think, in view of all that, that this government would be wanting to improve education. Certainly by its actions and by legislation that it is bringing in, it is doing the exact opposite.

As I said earlier, cutting back on education may contribute to the short-term deficit reduction goals. In the long term it will cost us our ability to compete internationally. It will cost us our opportunity to be truly prosperous in the future. It will cost us jobs, technology and tax revenue, and it certainly will become a hindrance to any comprehensive, long-term deficit reduction plan.

My riding is in Prince Edward Island. I can tell you that there, where we have a total budget for the province of not much over $700 million, these reductions and funding commitments have a major impact. They have a major impact on a province the size of Prince Edward Island.

Since 1988 my province has lost $100 million due to caps by this government that it has placed on transfer payments. Forty-five million dollars of that is in equalization payments and $54 million is in the Established Programs Financing. It is the money that we received to go to secondary education.

What the government has actually done is not reduce the over-all burden of the country. It is simply passing on the debt to the provincial governments. As I said earlier, a lower deficit would assist in making Canada a healthier economic country. Reducing the deficit by decreasing our commitment to education can do irreparable damage to our future ability to compete and it will harm, not help, our economy in the long term.

In addition to the problems that are created by the cutbacks in education and health, many of our provinces are experiencing very difficult economic times.

There are a number of issues that I could speak on at length which this legislation that we are discussing here this evening will affect. It will have a negative effect on my province of Prince Edward Island, but I want to sum up by calling on the government to really do three things.

I call on the government to re-examine its misguided economic policies which have caused the problems that this government is inadequately trying to address in this legislation. I call on the government to put forth legislation that will stimulate the economy, not stifle it.

Third, I call on this government to withdraw this legislation and replace it with a new economic plan that would make measures such as we are talking about under Bill C-20 unnecessary.

• (1810)

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

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on the amendment standing in the name of Mr. Walker. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. DeBlois): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): In my opinion the nays have it.

Pursuant to Standing Order 76(8), a recorded division on the proposed amendment stands deferred until Monday, December 9, 1991, at six o'clock p.m.

Mr. Cooper: Point of order, Mr. Speaker. I think you would probably find there would also be consent to call the main question at this time so that we could put both questions on Monday.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to proceed to Private Members' Business?

[*Translation*]

After consultation, I must remind you that the main motion cannot be put to a vote until the House has disposed of the amendment.

The hon. parliamentary secretary has the floor.

[*English*]

Mr. Cooper: Mr. Speaker, I do want to put it on the record that there is the consent of the House for us to have completed the debate and on Monday what we will do is put both motions at that time.

I also want to indicate to the House that I think you will find consent to call it seven o'clock and we could then immediately proceed to Private Members' Business.

Mr. Prud'homme: Point of order, Mr. Speaker. Of course we cannot preclude anything.

Yes, we do seem to agree but we cannot preclude and, Mr. Speaker, you were very right to let us know that we cannot go that fast. We will proceed orderly.

There is an *entente* but anything can happen and no one knows better than our friend that anything can happen. So we cannot be on record as having given consent too often today. We would proceed as your order has so rightly indicated we should.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to call it seven o'clock?

Some hon. members: Agreed.

PRIVATE MEMBERS' BUSINESS

[*English*]

THE ECONOMY

CANADIAN STEEL INDUSTRY

Mr. Steve Butland (Sault Ste. Marie) moved:

That, in the opinion of this House, the government should establish a national task force to deal with the growing crisis in the Canadian steel industry and the complaints of steelworkers and steel manufacturers, which include a high dollar, high interest rates, and the free trade agreement.

He said: Mr. Speaker, it is a real privilege to proceed with this motion. After three years I finally had a motion drawn and I do appreciate the opportunity to speak to the steel industry in this country. I think everyone agrees, all three parties, as well as the unions, the workers and the steel producers of this country, that the steel industry is in crisis. I suggested a task force for several specific reasons. First of all, I wanted to find out what constitutes a task force. I did not want to be so presumptuous as to suggest a royal commission.

A task force is something that emphasizes public hearings. It has a shorter time period than a royal commission. Less staffing and funding are required, and it is much more flexible and less formal than a public and stately royal commission. It is good for quick responses in trouble shooting situations. May I suggest this fits the bill. We are in a trouble shooting situation and the timeframe to address this problem is indeed very short.

I think the task force would remove some of the sensitivities that we met when the member for Selkirk—Red River suggested that an all-party committee address this issue under the auspices of a subcommittee under

industry, science and technology. That met an unfortunate demise. I suggest this would be more sensitive to the differences and would bring together all parties in the necessary timeframe, which is indeed very brief.

The precedents are many and there have been task forces on issues of less import. The precedents have been set and some of them are: the task force on human resource development; the task force on tax benefits for northern and isolated areas in Canada and task forces on electricity. The mandate of task forces has been microscopic and probably macroscopic.

Why is it necessary now? All industries, not only Algoma Steel, are in crisis, and most of the industry is losing money in the tens of millions if not hundreds of millions of dollars. May I suggest that only Ipsco in Saskatchewan seems to be doing reasonably well.

The steel industry is the very cornerstone of any country's manufacturing industry. It could be decimated unless some dramatic changes take place. I believe that all players must participate before those changes will take place.

A task force would raise the profile of the industry and indicate just how serious it is. I am sure other people may point out that there are other studies going on. Industry, science and technology is conducting a very thorough investigation of the steel industry, the results of which I believe will come in late spring.

There is a labour force study, a joint study by labour and government, which is very narrow in its perspective on the steel industry. I am not suggesting that we reinvent the wheel and start the investigations all over again. In fact, some of the steel producers have indicated to me that they have all those things in place. That may very well be, but may I suggest it may take something like this to collate all those things and bring them together in one unified package with government approval so we can proceed.

What is in place now lacks any political component. There are no other bodies that can really deal with this issue as appropriately as a task force.

What are the problems with the industry? I think the free trade agreement has worked against us. To prove that fact, the American industry is now exporting into Canada to the tune of 17 per cent. Import penetration is now 25 per cent. Mr. Telmer from Stelco suggests that the Americans are eating our lunch. I suggest they are not only eating our lunch, but breakfast and supper as well. May I suggest to those who tout the dispute panel mechanism that we have lost those rulings. Algoma was put together with Sysco even though I do not think we were guilty of dumping rails into the United States market. Nevertheless we were cumulatively put in with Sysco, and we know the problems with Sysco.

• (1820)

I think the member from that region has pointed out that we cannot sell rails in the United States even though the demand for rails is back ordered for 18 months.

We are selling a lot of steel offshore at little or no profit. We are precluded from the United States and the domestic demand is down. When we have a megaproject like Hibernia and anticipate getting some domestic orders, the first steel order that comes out goes to Belgium. Whether it is dumping or not, it causes the steel industry in this country a real problem.

I suggest that the member from Burlington has been an advocate of the steel industry and we have a steel caucus. It has not been formalized, therefore we are having difficulty getting anybody to listen to us, especially when we go to Washington. I think if that cannot be formalized and we cannot have a committee, once again we come to a task force.

Another problem is that the Canadian steel producers have an organization but times are so tough that one of the major members has had to drop out. What consolidated voice do they have?

Even though it is one industry, we must compete against one another. We have to do that, but I hope a task force would unify the group. We could speak as one and take a look at the problems as one.

For instance, I have had an opportunity very recently to go to the Middle East and China. I learned over there that one of our main competitors, British Steel for instance, has had an office in the Middle East for 20 years. We occasionally send a sales person over there to test the market. It is not surprising it is very difficult for us to sell over there.

In China we have American marketers. They are our representatives in China. Even the Chinese have suggested that we deal with them directly. Do we have to have an American middleman? I think these kinds of things could be studied by a task force.

With the status of the industry, they just cannot afford to put any money into research and development. Unfortunately in the good times it did not spend as much as it should have. I am told if sanctions had come into South Africa, as most of us endorsed, it could have crippled the steel industry. Some of the natural resources that we require are not available from anyone else in the world.

It has been suggested to me that perhaps they have been working on a synthetic product to replace those resources from South Africa. Once again, the industry is not in it together so I do not think that is proceeding any further.

It is difficult for the Canadian industry to compete. I think we all accept that. We are competing with offshore producers that do not pay nearly what we pay our people. We are competing with mini-mills in the United States that are extremely competitive. It is becoming more and more difficult for us to compete. But we cannot give up. Surely there must be answers for the Canadian steel industry.

The steel industry world-wide has restructured. The Canadian industry has restructured. Algoma had 12,000 workers in 1980. Now it has 4,000, 5,000 or 6,000 depending on the time. I think the workers are prepared to sacrifice and get involved in a solution to the problem. They are going to require some assistance and I think the government has to play some kind of role in this situation. With the results we would be able to collate the work of this small group of people. We have to get them involved. Again, one of the members suggested 14 weeks of a subcommittee of the industry, science and technology committee. Fourteen weeks is too long. He suggested travel. There was some resentment by committee members. They did not think this was the appropriate way to handle it, that it was going to be costly and just too time consuming.

I could see a task force bringing forth results in a matter of four or five weeks and bringing forth specific recommendations. Study after study after study that has gone on in the past and some are presently being brought forward, but there has been no consolidation of what has been done. I think a task force could collate the material and make some specific recommendations that we could address. Once again, the shorter the list of recommendations that we would have, the better it would be for the steel industry.

We have to become, if I could digress for a moment, a little more aggressive on the trade scene, in particular with our American neighbours to exempt us from VRAs, voluntary restraints, in exporting our Canadian steel into their market. I have already told you the statistics about import-export difference. By the way, our share of their market has been cut in half in the past three years. When I asked the minister about applying the same attitudes and aggressiveness to the American market, the minister suggested: "Well, it is a double-edged sword". I suggest it is a double-edged sword. I suggested at that time that the sword cuts us both ways.

We simply have to become more aggressive. We need more industry aggressiveness, more government support and government aggressiveness. I will never forget my first visit to Washington with the steel caucus group. Basically the Americans suggested: "Keep out of our market. You have your share. You will get no more". Those words were indeed true because their actions since then have borne that out. American protectionism is alive and well, and our response thus far is a very passive approach to our American neighbours.

Some of our own trade officials at briefings suggested: "I do not understand why the Americans do that to us because we are fair traders". I suggest we are probably more than fair traders, but we are not getting what we should be getting.

Another problem, and very specific to Algoma, is because of the amount of imports that could probably be applied to all of the steel industry in this country, we are convinced that all sorts of tubular products are coming in from all over the world and they are coming through at our border crossings. It is a very complex, difficult situation for an inspector to get on and see these loads and determine from where that tubular product has come. To the credit of ISTC and Revenue Canada—and it is good to see the minister here—Revenue Canada has seen fit to instruct the inspectors, to give them specific, instruction as to how to determine which may and may not be imported pipe or improperly stamped. Having given that credit, the problem is we do not have enough inspectors to do the appropriate inspections. A simple recommendation like that could be addressed. It has not been addressed previously but could be addressed by a

task force along with a lot of other aspects of the steel industry.

• (1830)

What we have to put together is an over-all strategy. Algoma cannot operate in isolation. Dofasco cannot operate in isolation. Stelco cannot operate in isolation. The parent-child relationship between Algoma and Dofasco we all thought would be a great relationship and a great marriage. Well, Dofasco eventually said: "We are cutting all of our ties with Algoma". That is an indication, perhaps, of how the industry is unto itself. It would be much better if we got in this together, at least on the task force level.

We cannot fight it alone. We need to have government assistance. We have to react now. We cannot wait for any further studies from anybody. Let us collate those studies.

To end this, I understand that the subcommittee on Private Members' Business had deemed this to be a votable item, but when it hit the whole committee it did not go; it is not votable. I am very anxious to hear members of the government and perhaps the Official Opposition to see what their response to the task force would be. It is not deemed votable, but certainly I would hope that members from both other parties would give at least a vocal, moral support. I know a couple of the members in here, by their actions, are indeed interested and supportive of the steel industry in this country. I think they agree that the crisis is now and the crisis must be addressed now. I think a way of addressing it right now is through a task force.

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I think the comment I am about to make I would not have made a week and a half ago, but I am going to stand up and speak against this particular motion.

With the efforts that the member from Sault-Ste-Marie put forward in describing the necessity for a task force and the make-up of the task force and also the commentary about the fact that at one time the standing committee—and he acknowledged my part in working quite hard in trying to create a standing committee—with the 14 or 16 week study has done a true in-depth study of the steel industry.

I am kind of suspect now about the fact that when we got to the point we did in the discussion about the subcommittee that the hon. member decided it was not quite as necessary then as his task force is now. I feel uncomfortable in the fact that maybe if we knew there was some discussion about the fact that a task force should have been formed, we could have talked about it.

Mr. Speaker, I think you know that we had the opportunity of discussing the creation of the subcommittee among the members of the standing committee, and also with the industry. We took a look at the fact that there should be input from the Department of Industry, Science and Technology, that there should be input from organized labour, and that there should be input from the management side.

I am somewhat suspect in that for some reason everybody seemed to want to pull the plug on this. That could be for any one of a number of reasons. Hopefully it was not so that we would create a task force. Hopefully they had other reasons. A task force or a subcommittee of the standing committee probably would have accomplished the same results. There was some concern about whether or not the length of time was too long. As the hon. member obviously knows, the concerns that seemed to be out there—and I say seemed to be out there because we obviously will not have a chance now to have a look at them as part of the standing committee— to my mind probably go a lot further. The reluctance of both industry and departmental officials to carry on has me somewhat suspect.

In talking with the executive director of the Canadian Steel Producers Association, along with an official of the Department of ISTC who is very involved with the steel industry, there seemed to be some concern about a parallel study.

Whether or not the parallel study comes via the standing committee, which has the resources and the abilities to study the industry, or whether it comes from a task force, I would think the results would be the same.

I wonder if the industry would have the same response to a task force as it does from a subcommittee of the standing committee. For whatever reason it has decided not to do it, I am suspect. I am wondering if, because there is at present the study going on jointly by management, labour and the Department of ISTC into the solution, management and labour have taken control of the study and are driving the study.

I am also just as pessimistic on the other side that I am somewhat concerned about the fact that maybe the department is somewhat reluctant to have somebody take a look at the study just in case they do not come up with the same results.

In any event, because of the fact that neither management nor departmental officials were interested in carrying on this study, I do not think we could go and force our way into doors and get a proper job done. What I would like to signal at this time is that when the report does come out from the industry departmental study, I personally will make quite a close scrutiny of that report and at that time make my recommendations to the standing committee of how that report should be dealt with.

The member for Sault Ste. Marie talks about a number of things regarding the steel industry. He talked about the fact that there is not enough money spent on R and D. There is no doubt that industry does not spend enough money on R and D.

We are all aware of the fact that the Government of Canada provides the most generous tax relief to R and D in the world. For whatever reason, industry has decided not to utilize those benefits. We talk about the history of the steel industry and the member made a comment about the fact that there was not a lot of input into R and D or capital cost. There is no doubt about that.

The relationship between the steel industry and what we found in the study of the auto parts industry is exactly the same. I wonder about the protection created because of the low dollar back in the late 1970s and early 1980s. There was an auto pact to protect the steel industry, whether it be the automotive parts industry or the steel industry itself, and the National Energy Program was in place. There was an artificial cost or the manufacturers were paying an artificial price for their energy, and when it came time to enter the real world they could not compete.

A lot of these things keep rising to the top. I am just wondering if maybe the concerns that the industry flagged when it came before the standing committee are just superficial. I am wondering if all the industry wants to do is stand up and sling mud at government policy but is not really prepared to sit down and talk about meat and potatoes and how we resolve some of the problems in the steel industry.

The member for Sault Ste. Marie made quite a significant commentary about the fact that Canada cannot compete on the labour side. I have to reflect the cost of labour in my own community. We do have a mini-mill that is doing its best to be competitive not only on the R and D side but is changing its manufacturing process on a regular basis. It has quite an upgrading department to upgrade its employees. It is doing everything it possibly can.

What it is doing is paying a rate. I am flexible on this because I do not know the exact dollar, but in comparison it is paying roughly $18 an hour for its labour. Its competition which is down in the southern United States is paying the equivalent of about $8 an hour, so there is a very significant difference in the cost of labour.

There is $8 and there is $18. Like I say, these are rough numbers. The difference is that the $18 in Manitoba is a fixed rate. That is the average rate in the plant. There is no flexibility. At the end of the day or the end of the week you get your paycheque and off you go.

• (1840)

Their American competition, a mill of equal capability and equal age, at $8 an hour is paying a bonus on production. The people in the American mini-mill who are making $8 an hour at the end of the day are probably making close to $20 an hour in comparable funds. Along with that is the fact that we do have some problems with R and D. We do have some problems with the fact that the capital projects have not gone through the way they possibly should have. We do have a significant problem with labour. They are not working together. We have to change that concept and show that there has to be a balance. There has to be a fundamental change in how

labour and management work together for the success of the company and the community.

I do not really know how to resolve this right now. When I started out earlier I was somewhat suspect about the fact that quite a significant effort to work a subcommittee out of the standing committee of industry, science and technology failed, and within a week we were standing in the House debating a task force that is expected to do the same thing. I feel uncomfortable about that.

As I said earlier, when the report from the industry and the department is made public, I as a member of the standing committee on ISTC will make quite an effort to study that report. At the end of the day we will be working hard as a government to do what we can to maintain a viable steel industry here in Canada.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have an opportunity to say a few words on the motion before the House by the hon. member for Sault Ste. Marie because it gives us a chance to look at the steel industry in Canada today.

The importance of this industry of course cannot be underestimated for any modern industrial state. Certainly for Canada and for those communities in Canada like Sault Ste. Marie, Burlington, Hamilton, Cape Breton and at least 13 other communities across the country, this is a major industry, a major employer and a major indicator of the importance of the Canadian economy. Certainly this industry is important.

It is an industry in very deep trouble. It is an industry which over the last five years has lost some 9,000 employees. That cannot be easily shunted aside, and of course the difficulties facing it in the years ahead are even greater.

When we had the recession in 1982 we thought the industry went through a very difficult time then. Clearly it did, but a recent presentation to the Liberal deindustrialization task force by a representative of Stelco described the 1982 recession as a cakewalk compared to the 1990–1991 and what probably will be 1992 recession. That is apparent.

It is certainly apparent to those of us from the Algoma district and from the city of Sault Ste. Marie. We are hovering on the brink of whether or not we will be able to maintain the integrity of the Algoma Steel Corporation which back in 1982 employed some 10,000 employees. It now has some 6,000 employees and the best case scenario seems to be to hope to maintain some 4,200 employees out of that figure. It was almost two and a half times that amount 10 years ago.

As we look at the industry across the country, we see an industry going through many of the tragic and difficult times that the United States industry did during the 1980s. We are told that in the United States various levels of government programs pumped some $35 billion into that industry during the 1980s. In fact, it lost several hundreds of thousands of jobs. I believe it went from some 480,000 to 180,000 during the course of the decade. We are belatedly going through that. When we went into that recession in the early 1980s we were far advanced from its situation.

Why the crunch now? The crunch now comes from a number of factors, but clearly the extremely high dollar value and the high interest rates over the past several years since the free trade deal was signed have been very important factors. The Canadian Steel Producers Association believes that the high dollar has reduced demand by some 20 per cent. It points out that the high interest rates since 1988, since the free trade deal was passed, have made it extremely difficult for the industry to modernize and put in place new equipment.

It is those things combined with a number of other factors. It seems tragic to me that our Canadian producers have to be so extremely careful of ever getting government support in terms of restructuring. Let us face it. Most steel industries around the world get government support one way or another.

I had an opportunity to visit China Steel in Taiwan earlier this year. The whole industry was owned by the government. I believe there is some private participation now, but most steel industries around the world have received government support. If we in Canada provide any significant support that can be identified, we are immediately subjected to countervail by the United States, yet during the past decade it has received

benefits in the order of $30 billion to $35 billion. We have very great difficulties.

When the free trade debate was on in 1988, during that period every steel industry in Canada lined up. This was a solution: nobody could find a solution to the countervail anti-dumping challenges by the United States industry like the free trade deal. Of course that has not worked out. There has been countervail actions and anti-dumping duties imposed on Sysco and Algoma, on the tube division, on the rail division and so on, by the United States.

I guess one kind of starts to wonder: Was this just some minor oversight by the government in negotiating the free trade deal? It does not seem so. In the free trade deal we agreed that we would put to work a committee to establish a subsidy code of support programs that would not be subject to countervail.

Since 1989, in those three years since, absolutely no progress has been made on that. In fact I am told that the Canadian negotiators did not want even to broach the subject, to get into serious negotiations, because they would rather negotiate it under the multilateral trade negotiations at the GATT.

One just wonders if they are afraid to negotiate a subsidy code so that Algoma, Sysco or any other steel company that might need government restructuring assistance would know whether a particular support program of the government is subject to countervail. No action has been taken there. We hope that something will come out of the GATT negotiations in Geneva, which will be concluded in the next few weeks. That would be helpful because clearly the United States industry has received massive government support. Our industry cannot receive support without inviting countervail and anti-dumping duties.

• (1850)

Those are a number of the problems that face the industry today. I am told that the loss to Canadian producers from January 1990 to July 1991 totalled 527,000 tonnes, two-thirds of it to the United States because of its ability, its lower cost of production in some sectors such as mini-mills and so on, the value of the dollar, as well as a very suicidal kind of pricing.

For example, I am told that the United States mills lost $738 million in the first quarter of 1991 to drive down the prices.

We need to study the problem. I believe it should be done through the standing committee. It is all organized to do it. It has already started.

We need more than that. We need government action. We need government action on macro-economics. We need government action in the case of Algoma. We need assistance in the restructuring of the Program for Older Workers Adjustment. We need a commitment on that. We need a commitment on a national training centre which would assist many of those workers and assist the industry generally.

We need government assistance by way of tax incentives for the proposed employee buy-out because we are entering a new phase where we have to be competitive and we have to be productive. I believe that the employee buy-out approach can maximize that benefit.

There are so many things that need to be done. It is important and useful for parliamentary committees and groups to study these matters and make recommendations to the government. However it is important that the government act on the specific assistance that is needed for companies like Algoma, but also act on those macro-economic levers and trade issues so important to the steel industry.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I was not going to speak on this motion but there is some time left so I will say a few words and try to clear up some of the mysteries that have been thrown on the floor.

First, the basic problem with the steel industry in Canada and around the world is overproduction. There are 100,000 tonnes of steel produced in the world with no place to go. That steel ends up in many cases in North America because North America represents the last two free markets in the world.

I just hope that everybody understands that is one of the basic problems in the industry. Another basic problem aside from that is the fact that the industry cannot sustain a price rise. You cannot make profits. You cannot build new factories, plants, processes and so forth.

I noticed recently that a couple of American mills have raised their prices slightly and we hope that it will stay. If it does, it will bode well for the Canadian steel industry.

Let me move on just briefly to the free trade issue. There was no tariff on carbon steel. That should be well known to everyone. Steel was really not part of the free trade agreement.

What was applauded by the industry was that the steel industry would be able to take advantage of the dispute settling mechanism. There have not been any really serious cases before the dispute settling mechanism board.

The Algoma case that is referred to on steel rails and the Sysco case were before the International Trade Commission because they were dumping actions.

On the Canadian and American sides the dumping laws are still in force. We may at some time down the road meld those laws together so that they are relatively simple and stop this nonsense. We have some regulatory problems on the shipping of steel across the border. It is not something that cannot be solved to the advantage of all concerned. It is just that there are a lot of Customs regulations in place in the United States that we have not been able to find a path through, but we will. We are working on it.

As far as the dispute settling mechanism is concerned, we gave ourselves five years under the FTA to determine the definition of a subsidy. We said that if it was not done in five years we would extend it for another two years. There is a seven-year period to define what we mean by subsidy.

At the same time we have these multilateral discussions going on at GATT. Subsidy is being discussed there as well. I have talked to my colleagues in the U.S. Congress and they seemed to say: "We think in the final analysis that we will probably accept the GATT definition of subsidy and that will sort the matter out as far as we are concerned". I suspect that down the road that is what is going to happen.

The advantage of the dispute settling mechanism is this. A panel is chosen, five members from each side, five Americans and five Canadians. Then the combined group is given a list of individuals, both Canadian and American. From that list they choose a chairman. To me that is a much better arrangement than going before the International Trade Commission where we appear as a supplicant before the court. Using the dispute settling mechanism will in time be the best thing we ever did for the steel industry, and many others as well.

Statistics are strange animals. People can twist them to mean anything they want. However, the fact is that whether you look at it on a tonnage or a dollar point of view we are shipping more steel into the United States than it is shipping into Canada. Our largest steel customer is the United States. We are its largest steel customer, but we still have a step up on them because we are exporting more steel into the United States than it is into Canada.

What happened to the balances recently was that there was a steel strike. It came at a time when General Motors was placing its fall orders for steel for its new run of automobiles. The result was that the mill it had been buying from was not able to supply. The other mill it could have bought from had a full order book. Consequently it bought the bulk of that steel in the United States and Germany. That is what happened. That is why the statistics are distorted.

An hon. member: Oh, oh.

Mr. Kempling: The hon. member does not seem to want to believe that. I think if he really delved into it he would find that is the case.

There is some light at the end of the tunnel for some of our mills in this country. Many mills are a fact of life. They are going to be here for a long while. There are more being established all over the world and the only thing we have to worry about is where they are going to get their feedstock. Most of them use car hulks. Maybe if we wanted to help the steel industry we would find some way to get more car hulks into the industry rather than importing them from the United States as we do.

The problem the steel industry is having right now is the debt to equity ratio. It has gone out of the country where money is cheaper, in Japan and in some cases Germany. It has borrowed sums of money, bought technology and put new mechanisms in place. Dofasco will be opening one down in the Windsor area. It has combined with NKK and National Steel to form a production facility that will produce steel that is coated on one side with zinc. Stelco has just opened its *z* line. Those plants and that production are designated for the automobile industry. It has spent sizeable sums of money. It has borrowed money offshore. It has a debt to equity ratio that it has to watch very carefully, but I am convinced that it has the machinery, the equipment and the market there to deal with this.

Turning to the market for steel production in Canada, I might say that 85 per cent of it is consumed in Canada. Only 15 per cent of it is exported. We should not get all exercised. We would like to export more steel than we do right now, and I believe we will. Under the free trade agreement there are no quotas. There are no quotas. There is no 3 per cent of the market. We can export steel into the United States and we are doing it every day. We are doing quite well with it.

I know my friend from the Sault is upset about Algoma. I am upset about it as well, as are others. However the fact is that it acquired more debt than it could handle and it has some serious problems. We hope Algoma survives, but I do not know whether there are many people who are really convinced it will. We hope it does.

As far as the government putting money into the industry is concerned, I think that would not be a good move on our part. If you are going to offend your largest market for your product, why do it? I mean perhaps you just want to fight, you want to holler and get up in the House of Commons and make speeches about how bad the Americans are. I know that is the great line of the NDP, that the Americans are bad. But the fact is that they are our largest customer. If we put money into the steel industry we are going to be looked upon as subsidizing that industry. I do not think we can do that at this particular time.

With those few comments I will conclude. I just might say as far as this task force is concerned that I think the wise thing to do would be to wait for the report from industry, science and technology and then strike a subcommittee on trade and commerce to study that report. Then, having studied that report, you have some knowledge and you can go on to do what you please from there.

The Acting Speaker (Mr. DeBlois): There being no further members rising for debate, the time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

It being 7 p.m., this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

The House adjourned at 7 p.m.

HOUSE OF COMMONS

Thursday, December 5, 1991

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 10 petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

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PETITIONS

VIOLENCE AGAINST WOMEN

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, I have a very lengthy petition here.

The petition is signed by citizens of Canada from Huntsville, Barrys Bay, Ontario, Pembroke, Renfrew, Combermere, Whitney, Highland Grove and many other places throughout Ontario.

This petition is to draw to the attention of the House that mace and tear gas canisters are illegal in Canada because they infringe on the rights of the perpetrator. These canisters can be lifesavers to our female population when rape and murder of these people is on a dramatic increase.

Therefore, your petitioners call upon Parliament to legalize mace and tear gas canisters in Canada for self-protection.

RURAL POST OFFICES

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, I have the honour to present a petition signed by about 150 people from southern Saskatchewan, including the communities of Assiniboia and Gravelbourg.

These people have observed what is happening to the rural way of life and have said enough is enough especially when it comes to the closure of rural post offices.

Therefore, the petitioners are calling on Parliament to support Canada's rural way of life, to support the maintenance of rural post offices and postal services and to reject this government's agenda of cutbacks and closures.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure to present a petition on behalf of a number of constituents from Kamloops, British Columbia.

The petitioners are concerned about the potential of cutbacks in the RCMP. They are asking that the government ensure that proper funding for the RCMP is maintained to enable it to fulfil its mandate and role as the only police force for communities across British Columbia. It is a viable symbol of Canadian unity at this critical time.

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): Madam Speaker, on another matter, the petitioners who again reside primarily in communities throughout British Columbia point out their concern about an intention to divert one of the British Columbia rivers to service the California area in the United States.

The petitioners are asking that the government not allow this river to be dammed or diverted into the United States.

CANADIAN FORCES BASE CORNWALLIS

Mrs. Coline Campbell (South West Nova): Madam Speaker, I too have the honour to present another petition certified as to form and content by the Clerk. It has been signed by a couple of hundred people in the Middleton, Annapolis and Digby area.

The petitioners show a concern with the direction the Department of National Defence has taken in terms of its defence policy particularly as it relates to Canadian Forces Base Cornwallis. They want to continue the recruit training but want to see additional jobs kept there in terms of where the policy for national defence is going.

They would like to see a new direction by national defence to increase the use at CFB Cornwallis and particularly perhaps even put a peacekeeping training centre at CFB Cornwallis.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

Madam Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C–18, an act to amend the Income Tax Act, the Canada Pension Plan, the Cultural Property Export and Import Act, the Income Tax Conventions Interpretation Act, the Tax Court of Canada Act, the Unemployment Insurance Act, the Canada–Newfoundland Atlantic Accord Implementation Act, the Canada–Nova Scotia Offshore Petroleum Resources Accord Implementation Act and certain related acts, as reported (with amendments) from the Standing Committee on Finance.

Madam Deputy Speaker: Do I understand that there is unanimous consent to proceed with report stage of this bill today?

Some hon. members: Agreed.

[*Translation*]

Hon. Marcel Danis (for the Minister of Finance) moved that the bill, as amended, be concurred in.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

Madam Deputy Speaker: When shall the bill be read the third time? With leave of the House, now?

Some hon. members: Agreed.

Mr. Danis (for the Minister of Finance) moved that the bill be read the third time and passed.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I will not take a great deal of the time of the House today for debate on third reading of Bill C–18.

I might point out that my colleague from the New Democratic Party was intending to ask for unanimous consent to introduce an amendment which I can tell the House we would have opposed. This was not because of the amendment but because of its late arrival and not having had the opportunity to examine it.

However I have given him a commitment on behalf of the Minister of Finance that we will look at his proposal very carefully and give it consideration in the next technical bill that comes from finance at a later date.

Before I get into covering the items in the bill I want to thank the finance committee and all those who participated in the consideration of this bill and others.

Madam Speaker, in this fall session those involved in the finance committee, as well as legislative committees dealing with finance matters, have done a great deal of work in committee. There has been good discussion and great co-operation among the parties. I think that unfortunately the public from time to time bases its views on the proceedings here in the House of Commons during Question Period. That may not be the best place for people to understand what goes on in this place and in the other place as well. I appeared before the Senate last night. The work that goes on in committee and in debates in this House, other than Question Period, is most productive under most circumstances.

• (1020)

The work that has been done this fall with the finance and legislative committees dealing with financial matters has been tremendous. That is my area of concern as you know, Madam Speaker, so I can only comment on that. I know other work has gone on but the work has been tremendous and I just want to at this time publicly thank all those who have been associated with it.

A fair and efficient tax system plays a very vital role in creating the stability that we require for growth and prosperity. The goals of equity and efficiency are at the heart of the various measures of tax reform the government has introduced as part of the agenda for economic renewal that we set out back in 1984.

Bill C-18 will help to improve the fairness and efficiency of our tax system to the advantage of Canadians in a number of important areas. The scope of the bill alone I believe testifies to that.

This bill includes Bmeasures that were announced in both the 1990 and 1991 budgets and incorporates a number of initiatives that were announced separately from these budgets. It embodies a number of amendments, mainly technical in nature, that are directed to improving administrative fairness of the tax system.

I should also acknowledge the useful guidance we have received on the technical aspects of the bill through consultations with taxpayers and their advisers. Since the measures were announced the Department of Finance has conducted extensive consultations on them and they were improved as a result of this process.

As I have suggested, Bill C-18 encompasses measures to improve the fairness of the tax system in a number of important areas. I would like to go over them quickly if I may just for a few minutes.

The Canadian tax system has long recognized an obligation to promote equality in its treatment of Canadians with physical and mental disabilities and those who are not disabled. Bill C-18 gives effect to a number of measures to improve and to broaden tax assistance for disabled Canadians. These measures were announced in the February 1991 budget by my colleague the Minister of Industry, Science and Technology and International Trade. He was then the Minister of Finance. I will not go into all of them today but I would like to highlight just a couple.

The disability tax credit will be increased in 1991 by $125 to $700. The criteria for eligibility for this tax credit will be clarified to ensure greater fairness and uniformity in its application. This will increase federal assistance to disabled Canadians by $35 million a year.

The medical tax credit will be broadened for the disabled. The list of medical expenses that are eligible for the credit is expanded and non-working Canadians with disabilities will receive a credit for part-time attendant care.

The owners of buildings who undertake renovations to improve access to the disabled will be able to deduct the cost of such renovations immediately rather than over a number of years. Of course we see these renovations going on. There is more to be done. And we would encourage people whose facilities have not been converted to accommodate the disabled to do so. We believe this tax measure will go a long way in helping that to come about.

Taken together with the other changes, Madam Speaker, these measures represent a significant advance in the way the tax system promotes equal opportunities for Canadians with disabilities. The Minister of Finance and I have been conducting pre-budget consultations across the country. We met just last week in Toronto with members of the Canadian Paraplegic Association who were very quick to draw to our attention that there are further things the federal government can do to improve the lot of the disabled. We accepted their representations. They were articulately presented. Of course we are taking a look on an ongoing basis at these represen-

tations to see where we can in fact improve the fairness of the system for those with disabilities.

Bill C–18 also includes measures from the 1990 and 1991 budgets which are designed to strengthen Canadian culture. A very, very important part of being a Canadian is our Canadian culture.

This is something the government for a very long time has looked into, to see how we can improve the situation of artists and artisans in our country to assure they are properly recognized and treated fairly within our tax system.

The Income Tax Act encourages gifts of cultural property to certain Canadian institutions or public authorities by providing special tax treatment for such donations. Some artists donate their works and we want to assure that Bill C–18 covers the streamlining of the rules of governing cultural donations by enhancing the role of the Canadian Cultural Property Export Review Board in assessing the value of such property.

There are also measures in this bill that will benefit artists directly. Artists who are employed will now be allowed to claim a deduction for expenses incurred in the exercise of their artistic employment. A self–employed artist who donates certified works to designated institutions or public authorities will be allowed to claim a charitable tax credit without having the value of those works included in income. These all come from representations made over the past number of years by artists in Canada and a commitment by the Prime Minister to assure that changes are made so that our artists are recognized. I do not believe any sector of our economy has played a more important role.

I want to now return to the sector of small business. I think there is no sector in our economy that has played a more vital role in creating growth and new jobs than the small business sector. Bill C–18 includes two measures reflecting the government's commitment to encouraging investment in small business enterprises.

The first is an improvement in the tax treatment of small business share holdings. The reason for it is because a taxpayer who realizes a capital gain on the disposition of shares of a qualifying small business corporation is eligible for an enhanced capital gains exemption of $500,000. When a successful private corporation wants to expand by having its shares listed on a Canadian stock exchange, it ceases to be a qualifying small business corporation. The result is that the enhanced capital gains exemption will no longer be available to the original shareholders even in respect of gains that accrued while the corporation did qualify for the exemption. The situation penalizes successful businesses.

Bill C–18 remedies this anomaly by allowing a small business to go public without sacrificing its shareholders' enhanced exemption. That makes abundant sense.

A second initiative that will be helpful to small business concerns is new rules relating to national labour sponsored venture capital corporations. These will encourage investment in small and developing businesses. If we have heard anything in the pre–budget representations of a common theme coming from all the associations and groups that we are meeting, it is the problem of venture capital in this country.

Our pre–budget consultations are being done a little differently this year in that we are doing it with groups altogether rather than one on one. We are meeting with groups together and they are talking to one another, which is wonderful. The National Action Committee sat in on meetings with the Canadian Bankers Association and the Retail Council of Canada and the agricultural community. They started talking to one another and understood that they had mutual problems and concerns.

When we got talking about the issue of venture capital, the theme was that we need venture capital in this country, but the solutions of how to handle the venture capital, encourage venture capital, came from three different groups, all with different ideas, all opposing the other person's idea because it would not work for this reason or for that reason.

What transpired out of this meeting was that these groups decided to get together to try and come up with a consistent presentation that they feel would work in this country to encourage venture capital. We believe that these meetings are being successful. They are being well attended, we are getting very good comments on them afterward, and the participation has been phenomenal. I

just spoke to the Minister of Finance who is out west now. He had one just the last day in Winnipeg.

• (1030)

He said it was a great success. There was great conversation, groups were talking to one another and realizing we are all in this together. We all have common interests and we should all work together for the common good.

I am quite excited about the concept. After sitting in on the first two, being a doubting Thomas at the beginning of the process, I have been converted. It has been a great consultative process and one that will bring benefits to our country.

The key element to the government's approach is to ensure that all income in Canada is fairly taxed. A number of initiatives brought together in Bill C–18 are directed toward that goal, including measures relating to taxation of non–residents, life insurers and registered education savings plans. I will touch very briefly on each of these.

In the 1990 budget there were measures announced to ensure that non–residents who deal in Canadian real estate or who create mutual funds to invest in Canadian real estate are taxed appropriately. This bill also extends the tax on financial institutions introduced as part of tax reform to large life insurance companies.

There is also a refinement in rules related to registered educations savings plans. It will limit the total amount that may be contributed in respect to each beneficiary and will allow the payment of benefits to a beneficiary under a new plan only if he or she is a full–time student. These amendments with other related changes will improve control over the plans.

Other important amendments revise the system of tax benefits for residents of Canada's northern and isolated regions, simplify the computation of the investment income tax paid by life insurance companies, and implement what are known as the available for–use rules for the timing of certain expenses and credits.

This bill also touches on pension funds. This measure recognizes the advantages of investment diversification of pension funds. Before 1990 pension funds were subject to a special tax if more than 10 per cent of the assets consisted of foreign property. Bill C–18 includes the proposal announced in the 1990 budget to allow pension funds to invest up to 20 per cent of the assets in foreign property by 1994.

From an administrative point of view, from the perspective of the individual taxpayer, Bill C–18 represents a step forward by improving the administrative fairness and responsiveness of the tax system. It gives the Minister of National Revenue a discretion to this end in a number of areas.

For example, if a taxpayer discovers after the normal reassessment period has expired that he or she has inadvertently failed to claim a deduction, the Minister of National Revenue will be able to adjust the amount of tax paid for and refund any overpayment. The minister will also have the discretion to waive penalties in interest where an individual has failed to comply with the law due to extraordinary circumstances such as a natural disaster or a serious illness.

This is another area I run into all the time, especially with small businesses in which the person runs the business, does the books, et cetera. They may have missed a payment to Revenue Canada for a very legitimate reason. Automatically they get a late payment penalty, interest charges and so on. There have been extenuating circumstances to waive those. We believe this is very important especially for small businesses. The large businesses have their systems in place, it is not a problem for them. It is usually the little guy who has those problems. This will help him.

I am not encouraging people not to make their payments on time. There have to be legitimate reasons for it and there are.

Finally, this bill contains a number of technical amendments that provide relief for taxpayers in other unanticipated situations in which the existing law would operate inappropriately. Others are intended to ensure the internal consistency of the tax system or clarify ambiguous provisions.

All of these measures reflect the government's continuing concern that the Canadian tax system should be as fair and as efficient as any in the world.

For that reason Bill C–18 deserves the support of this House. Again I want to thank colleagues from all sides of the House for their work on this bill and for their co–operation.

Hon. Roy MacLaren (Etobicoke North): Madam Speaker, the bill before us today is a complex piece of legislation in line with the complexity of the subject itself.

One only need lift the bill to see the weight of the proposals in it. It numbers some 2,000 pages and it deals, as the minister has just said in his introductory statement for third reading, with a variety of measures.

We in the Official Opposition support most of these measures without reservation. They correct anomalies and unintended results in the tax system.

Certainly the measures benefiting artists, the establishment of tax regulation of international shipping corporations with their headquarters in Canada, the penalty for large corporations and the replacement property rule are areas which we had the opportunity to discuss at some considerable length in committee.

The final results are satisfactory to us. I want to say, however, that when the minister speaks of this bill in some way reflecting tax reform, I find that a rather large claim to make for what is essentially a technical bill.

As my colleague from Broadview—Greenwood will no doubt expand on in a few minutes, this bill does not deal with tax fairness. To claim that this is in some broad sense a measure of the government's commitment to tax fairness is to miss the point altogether.

My colleague from Ottawa South in the House on October 7 had the opportunity to deal at some length with the questions of tax fairness, an issue which has increased among Canadians as they recognize the growing impact of the Tories' tax policies on them and on the corporations of Canada with regard to their international competitiveness.

My colleague from Broadview—Greenwood has brought forward a number of suggestions with regard to tax simplification which are worthy of serious consideration. I am sure he will want to develop some of those ideas in his intervention, and so I will not spend time on that question at the moment.

I do however want to say that the member for Ottawa South in his very able intervention of more than a month ago pointed out the fact that tax reform is obviously a very complex matter. It raises questions of fairness.

The government set a goal when it came to office back in 1984 to establish a greater degree of fairness in the tax system. The result is nothing of the sort. We do not have a fairer tax system in Canada.

We still have a situation in which higher income individuals and profitable corporations are not carrying by any means what would be regarded as a fair proportion of the total tax load.

The fact the tax load is grossly inflated, that is to say far too high, is another question which I will deal with in a moment. In terms of tax fairness, one would wonder about the equity of the system introduced by the Conservative government when the progress of the tax system has been reduced. The resort to sales taxes as opposed to income taxes has inevitably reduced that progressivity in our tax system and imposed yet a higher burden on the individual Canadian.

• (1040)

Let me say in that context too that the tax treatment of families in our society has to be a matter of real concern to all Canadians, and indeed I think to members of this House when they address questions on the tax system.

I would suggest that certainly nothing in this bill and indeed nothing in the government's agenda would indicate fundamental reform of the tax system so as to provide for a more equitable treatment of families, which seems to me an essential element in any reformed tax system. I regret the government did not take this opportunity or any other opportunity—I hope it might in the forthcoming budget but we will see about that—to address itself to the question of the equitable treatment of families in our society with regard to taxation.

I have touched in a few questions with regard to fairness and equity in our tax system, but I would leave it for some of my other colleagues to develop some of those ideas at greater length in response to the minister's statement that this bill introduces a greater measure of fairness into the tax system. Any Canadian would wonder very much about fairness in the tax system when they have experienced constant increases in the levels of taxation in Canada since this government first came to office.

At the root of our economic difficulties and in a sense behind this bill today is the fact that Canadians have consistently consumed more over the past decades than they have invested or even produced. Much of this consumption has been fuelled by the federal government which consistently has failed to follow a counter cyclical fiscal policy.

The minister who just introduced the bill will know very well that when this government came to office in 1984 and in the years following when it benefited from the growing prosperity of our economy as the result of measures introduced by the previous government in 1982–1983, it did not take that occasion to act as it had promised the Canadian people, to restrict government spending, to ensure that government spending was targeted to those it was intended to benefit. Instead it continued throughout a period of unparalleled prosperity in Canada to spend and spend freely, contributing thereby to a constantly growing deficit and a constantly growing debt.

The fact is that after seven years in office this government will leave the Canadian people with a legacy of a yet higher debt and a yet higher deficit. All of us know every well that this year we will see the government has been unable to live up to its forecasts. It will not be able to meet its planned restrictions on deficit spending, and what will the result be?

The fact is that the deficit spending of the government has drained much needed private savings from our economy. There is a sort of crowding out effect. The government is borrowing on the capital markets and seeking the capital which would have otherwise been utilized by private investment, thereby improving productivity in Canada and our international competitiveness instead of being used to finance public overconsumption. One result of this has been that private investors and provincial governments, for that matter, have had to seek capital offshore, thereby driving up through their foreign borrowing, Canada's foreign indebtedness.

At the same time the government, having failed and failed completely—let us not fool ourselves about that—to deal with the question of the deficit and debt, has too engaged in offshore borrowing. Canada's foreign indebtedness now stands at record heights. The fact is that Canadians are building up a problem they will have to deal with in years ahead but deal with in a way that will be painful and difficult.

I would draw attention to what happens when the government seeks to finance its excessive spending through foreign borrowing. One thing we get is higher interest rates. Higher interest rates do not result only from foreign borrowing but they certainly contribute to foreign borrowing. We drive up interest rates for the purpose of attracting foreign capital. The result is that the Canadian dollar follows along in most instances and the Canadian dollar is then placed at a substantially greater level than its real value and certainly above a level optimal for Canada's exports. As a result Canada is haemorrhaging capital at the same time that our exports are being priced out of world markets

I said a moment ago that the federal government has been living beyond its mean. To be fair, I think one would have to say that Canadians have been living beyond their means. However, instead of making things better, this government has continuously pursued the wrong mix of economic policies. It has unbalanced our economy even further and compounded both our domestic and international debt problems.

The combination of a tight monetary policy, a deliberate overvaluation of the Canadian dollar, the large government deficits which this government has not tackled in any effective manner, and the lack of any industrial strategy, have created the economic mess that Canada is in today.

When I speak of an economic strategy I have no intention of suggesting that this government should have pursued a winner's and loser's policy of attempting massive intervention in the economy to attempt to control every last detail of our economy, but rather that it should pursue those elements of public policy that can contribute to our international competitiveness.

I say that for two reasons. One reason is that Canada in the short run is going to be able to pay off its growing and worrisome foreign indebtedness which this government has incurred by exporting. There is no other way to do it. We must export to pay off our foreign debts. How is this government going to engage in exports? It is only going to be able to do so by helping to render Canadians more competitive.

Underneath that there is yet another issue. The fact is that this government knows very well that international competitiveness for Canada, for Canadians, has become the only way in which we can match and counter the effects of globalization in investment and trade. Globalization is a problem confronting every country. Some of

course are dealing with the question effectively. Others such as Canada have faltered and been hesitant about how to deal with this growing phenomenon of the mobility of labour, capital and goods across the world. I say "labour" in the sense of being able to manufacture in any jurisdiction.

What has this government done? What we have seen in the past month or so is a proposal for 12 more months of consultation. Twelve months to decide what? After seven years of do-nothing policies, this government has suddenly decided the thing it must do is take another year to ask Canadian people whether they think our education system is adequate.

• (1050)

Is there anyone in Canada who thinks our education system is adequate? Is there any doubt in anyone's mind? Come to my constituency or that of the hon. member for Kingston and the Islands and the people will tell you that they are dissatisfied with their education system. They know they are taxed heavily to pay for it. They know, as does my colleague from High Park who is a teacher and a distinguished school principal, that the system of education in this country is seen not only as lacking substance in itself, but rendering Canadians incapable of competing effectively in the global economy, which I described just a moment ago.

Not only has the government decided to postpone any of the decisions that might contribute in a sense on a micro-economic level to helping Canadians compete and thereby win that higher standard of living which we all see, but on the macro-economic side this government has failed as well. On the macro-economic side we see the government having become preoccupied, to put it kindly, with a monetary policy that uses interest rates as the single weapon in the government's armoury against inflation.

This is a gross distortion of government policy. The government has more tools at its disposal than merely high interest rates. The result is that we get, in the name of fighting inflation, an economy which is incapable of competing effectively abroad. We suffer from very high tax rates. We suffer from the lack of government involvement in rendering the economy more efficient, in creating a framework for Canadians to help themselves and the result is that we have what I called an economic mess earlier, an unbalanced economy, the wrong mix of economic policies.

If this government had pursued a balanced economic policy, that is one that used fiscal tools, restrained its own spending, as well as a moderate policy of monetary intervention, I think we would be in a much better economic position. Those who are unemployed, those who are at the food banks of Canada and those who see little future for their children would not suffer from the very real concerns that inflict them today.

With that comment on the bill and on the thinking behind the bill, I shall conclude simply by saying that although we intend to support this bill, I want it to be placed on record that the economic policies which this government has followed in part created the circumstances where this bill was necessary. They have been the wrong policies and misguided policies. This government must change them or certainly the next government will.

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, I will begin by saying that it is always interesting to listen to the hon. member from Etobicoke because he has a history of speaking on behalf of the real Liberal Party as opposed to the Liberal Party that we see represented in the rhetoric of Question Period when the various cuts that the government has made in government spending have been criticized vociferously by the Liberal opposition. The member then gets up and says that one of the things that the government has not done enough of is to cut government spending and be fiscally responsible. It has always been a great mystery to me, and I am sure to a great many other Canadians, just who speaks for the Liberal Party. Perhaps I will have time to deal with that in greater detail later on.

First of all, having to do with what the minister said at the beginning of his remarks, there was an amendment suggested to clause 91 of this bill by the Canadian Association for Community Living, which would have addressed a flaw in Bill C-18 having to do with the mentally handicapped *vis-à-vis* the disability tax credit.

The hon. member for Beaches—Woodbine will, I think, have more to say about that when he rises to participate in this debate, but I want to thank the minister for his commitment to consider this amendment.

This problem was brought to the attention of the committee and to the attention of the House by Mr. Paul Badertscher who appeared before the committee in this respect. He had suggested an amendment which in turn prompted the Canadian Association for Community Living to suggest its own amendment, an amendment for which we had hoped might receive unanimous consent to be put before the House here at report stage, but the government indicated that it did not feel it had had sufficient time to study the amendment. We hope that in the next round of technical amendments, as the minister said, that this problem will be dealt with.

This bill is an omnibus bill and omnibus bills always present problems for the opposition because invariably there are things in the bill that you support. In this case there are a great many things, technical amendments, housekeeping amendments, changes of language for instance to eliminate exclusive language and to use inclusive language, et cetera. A lot of these things are to some extent value-neutral, although many of the housekeeping amendments so-called are housekeeping amendments to tax measures which we have criticized in the past. Then, of course, there are things in the bill to which we take offence. So we will not be able to give our support to the bill in that context.

For instance, just to return to the question of disabled Canadians, the disability tax credit has increased from $575 to $700 per year, which obviously is a welcome change to the tax system. But the claw-back formula indexed to inflation only above 3 per cent per year is being placed on it. Surely the needs of the disabled do not increase by only the amount of inflation above 3 per cent. So we find, even in a good measure, the ambiguity of including a measure which we oppose across the board, whether we find it applied to family allowances or the disability tax credit or any other place where the government seeks to limit its responsibility to make sure that the social policy commitments that it has made in the past keep their value and continue to do so for these targeted groups of Canadians, whether they be families, the disabled or other groups, what the original policy decision intended.

Instead, we have built into a number of these social policy commitments a recipe for eventual irrelevance, in terms of monetary significance, if this formula having to do with the claw-back continues to be built in to the government's social policy commitments.

Another thing which interested us in this bill was the whole question of northern tax benefits. I think the hon. member for Prince George—Bulkley Valley will be addressing that on behalf of the NDP caucus.

Over all, this bill does not address, as the member before said, tax fairness. Surely anybody who has bothered to read the bill realizes that there is nothing in this bill which so substantially transforms the Canadian income tax system that it could be called an attempt at tax fairness or anything like it. The fact is that those elements of the Canadian income tax system which are unfair have not been addressed in this particular bill. In fact, over the life of this government the tax system in this country has become increasingly unfair.

• (1100)

It was not an absolutely perfect system that the government inherited in 1984 when it took over. Let us not kid ourselves. There were many inequities built into it, many tax shelters, loopholes, et cetera, tax expenditures that had been put in there by the previous Liberal government, a great many of them in the 1970s. Some of these have been eliminated but in our judgment some of the big ones have yet to be touched by this government, while at the same time it has increased the burden on middle class Canadians.

I think the icing on the cake is of course the GST which has been harder on middle class Canadians than on anyone else. I think that what we are seeing in this country is a growing sense of tax aversion, that people are feeling taxed to death. This leads to all kinds of regrettable political and ideological consequences in the sense that people are being conditioned through an increased tax load to accept the notion that some of the social programs that we have in this country need to be scaled down, diminished or cut back in some way, when in fact if we bothered to look at it in an analytical way, we find for instance a study that was done through Statistics Canada which shows that it is not social programs that are causing the deficit. It is tax expenditures, the interest rate being paid on the debt. These kinds of things are—

Mr. Milliken: What is Bob Rae doing about it? Tell us about Bob Rae and his silk stockings.

Mr. Blaikie: I am not sure what the hon. member for Kingston and the Islands is saying. I cannot hear him. Is he disagreeing? I take it the Liberals are disagreeing with my claim that it is not social programs that are the cause of the deficit.

Mr. Milliken: Everything is causing the deficit.

Mr. Blaikie: He says everything is the cause of the deficit. To simply say everything is the cause of the deficit is not to be too discriminating in nature. Perhaps that is the line that the Liberals would like to take now after their thinkers' conference. It is almost a contradiction to think about a Liberal thinkers' conference.

Nevertheless, they had a conference at which they came out and finally revealed their true colours, the colours revealed by the hon. member from Etobicoke here when he spoke on behalf of the real Liberal Party: i.e. globalization is something that we have to accept and accommodate ourselves to, protectionism is *passé*, the Liberal argument against the free trade agreement is now proving to have been as phoney as we thought it was in 1988. They have accepted the North American free trade agreement idea. Just the other day a Liberal member of the legislature in Manitoba proposed a motion having to do with the North American free trade agreement which basically accepted the reality of those negotiations and simply asked that something be done about labour and environmental standards.

We see here the true face of the Liberal Party which is committed to the same corporate world view, to the same corporate agenda as the Conservative Party. Why should we be surprised about that? We know that the Liberal Party and the Conservative Party are funded by the same people. The same piper calls the tune. The Liberal Party is permitted to sound progressive at election time, if that means that somehow progressive Canadians can be tricked into voting Liberal.

When it comes to the tax system, let us remember that most of the unfairness built into the tax system, particularly through tax expenditures, was built into the tax system in the 1970s by Liberal governments. We still do not hear the Liberal Party collectively calling for the elimination of those tax loopholes. There might be the odd individual, like the hon. member for Broadview—Greenwood, who wants to replace the whole system with a flat tax, or single tax. Fair enough. I do not agree with him but at least he has an idea about what to do with the tax system.

But I very carefully said I have never heard the Liberal Party collectively, because the hon. member for Broadview—Greenwood is not the tax critic for his party, as much as he might like to be. The hon. member for Ottawa South is the tax critic for his party and he has not, on behalf of the Liberal Party, called for the elimination of these loopholes.

The tax system cannot solve the deficit problem by itself without changes in monetary and fiscal policy like lower interest rates. But much could be done if there was the political will to eliminate significant tax expenditures.

For example, the present tax system allows business people to deduct 80 per cent of the cost of all their business meals and entertainment, including GST. This cost the federal government over $1 billion in tax revenue, exactly the amount that was withdrawn from federal support for medicare in the 1991 budget.

When asked about this bias in favour of lunches over nurses, the finance minister talks about competitiveness with the United States. This is the famous level playing field we were promised. We level our health care system down—some would say level it completely—and are unable to make the tough-minded tax choices that we should be making in the current situation. If Canadian business depends on this tax expenditure for its very survival, we are indeed in sorry shape.

While Canadians are lining up at food banks, taxpayers should not be financing and encouraging the over-consumption of entertainment at the expense of productive investment through this particular business tax deduction.

The manufacturing and processing tax credit was introduced in the early 1970s to combat a subsidy that the U.S. provided for American exporters. In 1986 the American government repealed the tax subsidy but Canada did not repeal the manufacturing and tax processing credit. This tax credit's continued existence was justified as a way of off-setting the despised manufacturers' sales tax.

The MST has now been replaced by the GST, but this $1 billion annual tax expenditure survived the budget and in the House of Commons on February 27, the then Minister of Finance, the Minister for International Trade, defended it as if no changes had occurred in Canada or the United States.

The lifetime capital gains exemption when it was established at $500,000 in the 1985 budget brought the entire Tory caucus to its feet in one of the longest and most ecstatic standing ovations ever seen in the middle of a budget speech. I was there, Madam Speaker, and I remember it well.

In 1987 this cheering was no doubt echoed by the wealthiest 10 per cent of Canadians who received over 80 per cent of this non-taxed form of income. This provision has since been moderated. It continues to cost the Treasury about $1.7 billion a year, revenue forgone that must be replaced by sacrifices on the part of lower and middle income Canadians.

The dividend tax credit cost the government about $1 billion each year. The original justification for this measure was to avoid double taxation by compensating shareholders for part of the corporate tax paid and to encourage Canadians to invest in Canadian shares.

Given the number of corporations that manage to pay no taxes at all, this attempt to prevent double taxation often amounts to a guarantee of no taxation. At the same time there is scant evidence that the other economic goals of this tax expenditure are being realized at all.

Other tax expenditures like the subsidies given to real estate developers by which they claim depreciation on property that is actually increasing in value, the subsidy given to the corporate world through deductions for advocacy advertising, the endless deferral of corporate taxes by exaggerated depreciation of capital assets, the abuse of the interest deductibility rule for purposes other than stimulating small businesses, all add up to a truly astounding amount of money that can be called nothing other than a hidden form of government spending.

The billions of dollars spent through tax expenditures is the hidden reality behind the big lie that it is social spending. That is the cause of the deficit. It is interest on the debt, aggravated by a self-inflicted policy of high interest rates, in combination with the cumulative effect of the tax expenditure spending by successive governments that is the cause of the deficit.

The removal of the tax expenditures in question, complemented by a more progressive income tax system, particularly at the top end where now no distinction exists between the marginal rates for people earning $60,000 and those who make $600,000, and some form of wealth tax would provide billions for the Canadian government to reduce the deficit and spend on the things that would make a country truly competitive.

• (1110)

We are constantly being presented by the Tories with the false dilemma of having to choose between social justice and being competitive. The truth is that taxes are only one factor among many that make a country attractive as a place to invest as well as to live.

The Conservatives are making the fatal mistake of choosing what might be called negative competitiveness, sacrificing social harmony, important infrastructure, research and development and Canada's human and ecological capital, when a truly wise government would collect taxes in a fair and equitable way and invest the revenue in the things that would count for positive competitiveness in the 21st century.

Those who leave such a Canada, who would carry through on their threat to go elsewhere if we were to introduce this kind of fair tax system because they object to fair taxes spent wisely and justly will come back as so many doctors did in the 1970s from the U.S. where they discovered that a high income is not all there is to practising good medicine. Or, are we better off without them? At a time when Canadians are to be united about anything, it should be by a common quest for social justice.

Madam Speaker, if I have any time left, I would like to expand on this notion of positive competitiveness because there is more than one way to be competitive.

The problem with the free trade agreement and with the North American free trade agreement, if that it comes through, is that it will be a beggar thy neighbour kind of competitiveness: who can get down to the lowest wages, the weakest environmental regulations, the most despicable labour standards or whatever the case may be.

Now states like Georgia, et cetera are advertising: "Come down and invest here. We do not have any of those horrible kinds of regulations they have up there in Canada where you have to pay people a decent wage and respect the environment". It is not that we respect it all that much up here, Madam Speaker, but perhaps we respect it more than they do in Georgia. It will get even worse under an agreement with Mexico.

The other way to compete, Madam Speaker, is to compete the way that some other countries in the world do it like Germany, Japan, Sweden and many other countries where you say: "We are going to have the kind of research and development, we are going to have the kind of transportation and telecommunications infrastructure, we are going to have the kind of trained work force, et cetera that is going to make this a good place to invest regardless of the fact that we may have higher taxes and expensive social programs".

That is not the way this government is going. It is not the way North America is going. I regret it. It is a kind of vicious cycle that we get into instead of what economist Robert Reich, for instance, has suggested is the kind of virtuous cycle that we should get into, building upon our strengths, building to be competitive rather than dismantling to be competitive which is exactly the kind of competitive atmosphere that we have ourselves into now.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, first, before I ask my hon. friend from Winnipeg Transcona a question, I would like to clear up some of his assertions.

He made a comment concerning my colleague, the member for Etobicoke North. The hon. member is accurately reflecting the spirit that exists within the Liberal Party right now, that is, one where we are debating all sides of these very complex issues.

We are not too concerned about the fact that he is debating complex issues from time to time. It is natural that we seem to have in the spirit of honest debate slight differences of opinion. I want to clarify his point about the Aylmer Liberal think-tank conference.

The hon. member should know that this was not a Liberal think-tank conference. It was organized through the initiative of a couple of keen Liberals but in fact we had people there speaking to some members of our caucus and other members of our party at large.

The speakers were in fact mostly non-Liberal. We opened our party up to the views of New Democrats who were present there, to Conservatives and to people from all over the world because we were trying to clarify some of the complex issues that we as national politicians are facing today.

The thing that disturbed me a little bit were the member's assertions about our history as Liberals in contributing to the complexity of the tax system. I think we as Liberals have toB accept some of that fault and I believe most would. However, he is being rather unfair because he is forgetting that his New Democratic friend Premier Rae during the last election ran on a campaign of fair taxation in the province of Ontario. I thought he did the right thing by making that a central issue in his campaign.

However, since he has come to power, like the Conservatives, he basically has only set up a fair taxation commission. In the process of his attempt to try and do something constructive, he has so frightened the investment community in regard to his approach that the flight of capital, specifically in the province of Ontario, has been reduced in the last year by almost 50 per cent.

My question to the hon. member is quite simple. Does he not realize that attracting foreign capital to this country is essential for job creation? It is absolutely essential for job creation, in my opinion. Does he not realize that attracting foreign capital must be done through the tax system? I would just like to have his remarks on that.

Mr. Blaikie: Madam Speaker, perhaps the member himself or somebody on behalf of the Liberals could say what they mean by attracting foreign capital through the tax systems. If this means making Canada some kind of tax haven where people can come here and make money and not contribute to the country, then I am not interested in that kind of capital attraction policy.

You mentioned the Government of Ontario. Again, with respect, you are trying to have it both ways. It is ludicrous to compare the policies of the Ontario NDP government with the policies of this government. This government has gone to great pains to say how much it is different from and opposed to and against the policies of the Ontario government. The Ontario government is constantly being vilified by this government for following

an entirely different economic policy with respect to the deficit, et cetera.

With respect to taxes the member has said that it has established this fair tax commission. Nothing has happened, because the commission has not reported yet. The member is saying: "How come we have not acted", and at the same time is saying: "The very fact that they even established the notion of fair taxes is driving capital out of the province of Ontario". Which is it? Are you saying that it should have established a fair tax system earlier and, according to your analysis, driven more capital out of Ontario?

The problem is, as the hon. member knows or maybe did not have time to say or is not willing to admit, that the problem in Ontario is not related so much to the NDP government or to anything happening with respect to domestic policy. It is related to the free trade agreement.

It is the awful misfortune of the NDP government to be elected just at the time when the effects of the FTA are kicking in, in Ontario. If the Liberals are telling me that they do not think it is the FTA that is wrecking the Ontario economy, I wish they would get up and say so. If that is an analysis they reject, I would like to know it and I would like to see it on the record. The fact is that it is the FTA.

When I hear members of the provincial Government of Ontario talking about the recession, I say it is not just the recession. It is not like any other recession. It is the North American continental economy kicking in, in a way that Ontario will never recover from regardless of whatever policies any provincial government ever has, unless we find a way to extricate ourselves from the free trade agreement and from the upcoming North American free trade agreement.

• (1120)

[*Translation*]

Mr. Nic Leblanc (Longueuil): Madam Speaker, I have a few questions for the hon. member of the New Democratic Party.

It is said that capital is leaving Canada, that business people are moving to the United States and that there is a brain drain toward the United States. It is said that about 50 per cent of our university graduates and qualified technicians are moving to the United States. This means we are training them for the benefit of the U.S. The main reason is, of course, that in the United States they pay 25 per cent less income tax than we pay here in Canada.

Unfortunately people move to the United States because they will have 25 per cent more disposable income. Some people say the socialist system is efficient and satisfactory, but I think we are going bankrupt with all this, and the statistics are there to prove it. Two weeks ago the statistics were right there in the media to prove it.

So the reason is clear. A study prepared by a consulting firm in Montreal said that in the United States a person who earns $100,000 and pays for exactly the same services we get in Canada or Quebec—and especially in Quebec, because the study was made for Quebec—whether we are talking about medical care or anything else, that person has $25,000 more left in disposable income. That is how the system works, and if the government is asked to control practically everything, you have a socialist system, a system I do not favour because it always costs the government two or three times as much to run something people could run themselves.

It means that if the private sector is given a chance to offer those services, they are likely to be cheaper. We have the proof right here: it costs 25 per cent more in Canada than in the United States.

My question is this: If individuals and companies move to the United States because taxes are too high in this country, isn't it obvious that these services are costing us too much in terms of the way we are taxed in this country?

[*English*]

Mr. Blaikie: Madam Speaker, I am shocked to hear that comment by the hon. member from the Bloc Quebecois. I hope Quebecers come to know about this view that the health care system in Canada is a form of socialism which the hon. member rejects.

If you take the analysis that the hon. member has offered, that someone making $100,000 a year is able to get the same kind of health care in the United States and still have 25 per cent more disposable income I do not know whether that is true but let us say for the sake of argument that it is. The fact of the matter is that one of the reasons Canadians who are making $100,000 a year have less disposable income in this country is because

they are kicking in to a health care system through the tax system that provides health care for all Canadians in such a way that the person making $100,000 in the United States is not contributing to a health care system that would look after the 35 million Americans who do not have any health care insurance whatsoever.

From the perspective of somebody who makes $100,000 a year, the United States looks pretty good. That is to look at things only through the eyes of individuals and not to look at the common good or any notion of social justice or any notion of a country or anything else. It is this kind of small *l* liberal, individualistic analysis of reality that is getting us into all this trouble. I cannot get it through my thick head, as some would say, why people would decide to move to the United States simply because they could have a little more money. If that is all being a Canadian means to them, then good riddance.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, my colleague from Eglinton—Lawrence and I have agreed to switch.

Before I came in this morning to speak on this bill, I had the occasion to talk to one of my friends on the Hill about a couple of mutual friends, Colin Sparling, a horse trainer from Sydney, Nova Scotia and Peter Berringer, a horse trainer from Aurora. We were talking about the lives of horse trainers in this country, people who get up every morning at five o'clock and have to muck out stalls and work in the cold. What relevance does this bill today have to the kind of life these people lead?

When one sees a document like this of nearly 2,000 pages one wonders how one begins to judge whether fairness exists. Before even judging fairness, one has to have the ability to understand. Like most people in this country, I cannot begin to ascertain truly whether this bill is fair.

We end up having blind faith in the bureaucrats who designed the words in this paper and hope that it achieves its end. That is why for the last two years I have been fighting hard in this House. We are getting more and more members realizing this. This week the Auditor General in his report said that the tax system, the tax designs and the tax forms of this country are not serving the clients.

We have to get back to simplicity because from simplicity we are going to begin the process of participation in a judgmental way as to what is happening in our tax system. Ultimately that is going to make all of us more accountable as politicians in this country for the taxes that we impose on our constituents from coast to coast to coast. I continue to flag that as a concern.

I want to go back to a remark made by the member for Winnipeg Transcona earlier today in answer to my question, when I asked him about the importance of using the tax system of this country to attract foreign capital. I happen to believe one of the most central problems we have in this country today is the flight of capital. The number of people fleeing this country with their capital because of the tax designs, whether individuals or corporations, is becoming a serious problem.

The New Democratic Party member for Winnipeg Transcona treated this issue rather lightly. I think he was being a little bit too defensive about the actions taken by the New Democratic government in the province of Ontario. I do not think it is linking the importance of capital to job creation.

The member said he did not want to make Canada a tax haven. I never said we should make Canada a tax haven, but I would not mind having international investors, local businessmen or local individuals who have accumulated wealth feeling this was a tax haven. I would not mind if every wealthy person in the world wanted to park their money in financial institutions in this country. I would much rather have the money here in financial institutions than in the islands or in Switzerland or in California where we have over one million Canadians right now. Many of them will say they are there because of our current tax act.

• (1130)

What is the importance of attracting that foreign capital to this country? Financial institutions only make money when they rent capital out. That is how our financial institutions make their money. When we have our financial institutions loaded with capital they compete with one another. The only way they can compete is through lower interest rates. That is what ultimately leads to job creation. When entrepreneurs can borrow money at 4 and 5 per cent and when banks have so much

capital that they want to push money out, that is when the entrepreneurial spirit of this country gets revitalized.

When the 900,000 entrepreneurs in this country have access to capital so that their creativity and their productivity can be exploited to the fullest, it creates jobs. That is how we lower the draw on our unemployment insurance fund. That is how we lower the draw on our welfare fund and that is how we attack the deficit and debt of this country.

I cannot understand why the government cannot see this issue. I cannot understand why it is not altering the tax designs of this country to attract foreign capital. The current tax designs are a disincentive to entrepreneurship. They are disincentives to productivity. I hear this from my constituents. I hear this from Canadians day in and day out. When is the Government of Canada going to do something to radically reform the tax system of this country so that it is fair? In order to get fairness, in order to judge fairness, you need simplicity and ultimately it will lead to efficiency.

Once again we have some minor amendments to the tax act of this country by Bill C-18. These minor amendments are close to 2,000 pages. As my colleague for Ottawa South and my colleague for Etobicoke North and many other colleagues in the Liberal Party are going to say throughout this debate, we must start giving Canadians some hope that we are going to finally change the tax act so that it is more simple and that it is more fair.

I want to go back to the capital flows that are so important in this country. For the last two to three weeks the Minister of Finance has been standing up and saying: "Interest rates have come down 5 to 6 per cent in the last eight months. Look at the way we are operating this economy".

Ask any entrepreneur in this country right now if it is easy to get capital to either maintain a business or to expand a business. Ask him if he can go to a bank and find out how it is treating its lines of credit. Ask how the banks in this country are treating new starters. Madam Speaker, if you can find more than 10 serious projects then I take my words back. I only hear from entrepreneurs. Whether they are people employing five or five thousand people, they say there is a serious shortage of credit in this country right now even though we have interest rates that are the lowest they have been in 10 to 12 years. The reason why we have that problem is because we have a shortage of capital in this country. We have to do things to attract capital. We have to do things to stop the capital outflow from this country.

Someone could be making a million dollars a year. Someone could be an actor who makes $10 million a year. Why do we not change that tax design to keep that capital here so that capital can be used and rented out by financial institutions to entrepreneurs to do anything and everything from restaurants to auto parts, to service industries, to tourism, to whatever?

Why can we not do that? We can do that, Madam Speaker, if the government would just have the political will and listen to the people. The minister of trade just four weeks ago talked about consultation, consultation and consultation for competitiveness. If this government were serious about competitiveness—and I cannot believe it is not serious—it would listen to the person who is working on the shop floor and the person who is working in the office. They will tell you. They are not just telling me. I know other colleagues—even members of the government—are hearing people asking for some fairness in the tax designs of this country. That is the single most dramatic way to increase the productivity in this country. Productivity is ultimately what investors look for. That will attract foreign capital.

There has been a lack of political will to come up with a comprehensive approach to tax reform. I can remember the member for Welland—Grey—Dufferin—Simcoe heading up a task force on tax reform when he was in opposition. It was a good task force that went coast to coast listening to Canadians. And the government did say when it came in: "Phase I is tax reform". Madam Speaker, the government did not get into it deeply enough. It was amendments on top of amendments.

What Canadians are saying is to stop running the economy of Canada through the Department of Finance or through the tax system. There are so many rules, regulations, exceptions and exceptions to exceptions that we no longer understand how this tax act works. Use the tax instrument to collect revenue. When you want to do things in terms of social policy or in terms of aiding a specific sector, do it through direct program delivery through department by department. Do it in a way that

the people's money in this country can be accounted for rather than burying it in a 15,000-page tax act.

Madam Speaker, I believe that we are at a critical point in this country's future. The will of this country is fragile right now.

SUSPENSION OF SITTING

Madam Deputy Speaker: Is it the wish of the House to suspend the sitting for a few minutes to the call of the Chair?

Some hon. members: Agreed.

The sitting of the House was suspended at 11.37 a.m.

SITTING RESUMED

The House resumed at 11.46 p.m.

Madam Deputy Speaker: I thank hon. members for their understanding of the situation. I know it must be difficult for the hon. member for Broadview—Greenwood. There are five minutes remaining in his intervention.

Mr. Mills: Madam Speaker, we all wish our friend a speedy recovery.

As I was saying earlier I am trying to make this tax amendment, Bill C-18, relevant to my friends Colin Sparling and Peter Berringer.

I know and believe that if this government were to address comprehensive tax reform, if it were to send out a signal not only to the people of Canada but also to people around the world that we were going to come up with a tax design that met the test of efficiency and simplicity and fairness, just sending out that signal could change the spirit that exists within this economy. It could change that spirit almost overnight. It could just say it was going to do it in the February—March budget. If it just announced that now, I believe the recovery would begin.

This government must do something concrete to motivate Canadians, to turn on Canadians who at this time are in a state of almost chronic depression. They do not look to the provinces to do this. They look to their national government. They look to their national politicians.

When we have an opportunity like today in the House of Commons where we are talking about amendments to the tax act of this country, I think it is incumbent upon all of us to ask how this relates to the people in this country who are not tax lawyers and tax accountants and senior officials in the Department of Finance or the Department of National Revenue. How does the action we are taking today relate to the men and women of this country who are on the shop floor, who are in the back stretch, who are working in the restaurants, who are working in the hour-by-hour jobs? What will this act do to make their tax life more fair, more simple, more efficient?

This does not pass that test. Yes, there are some elements of modification in this bill that will improve fairness. However, it is tinkering; it is tampering. I was part of a government that did this as well. I am not exempting our track record on this, but it is time now for all of us to say that comprehensive tax reform is needed. The people of Canada are crying out for it, and we beg this Minister of Finance and this government to have the political will to do something by the next budget.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Madam Speaker, I have a few questions for the hon. member for Broadview—Greenwood. He says he was appalled at how much capital was leaving the country. He also said that we needed a better tax system or a complete overhaul of our tax structure. But I have yet to hear him say how he intends to improve our present tax system. My point is that Canada has a cumulative debt of $430 billion. That is not exactly peanuts. We have a cumulative debt of $430 million, with a population of not quite 27 million. The big problem facing us is that there are 11 political powers in Canada which are contradicting each other day after day. We have a striking example of what is going on now and driving up the debt.

We have a socialist government in Ontario now, in that province which accounts for 42 per cent of Canada's Gross Domestic Product, and its policies are completely opposite to those of the federal government. This inconsistency between these 11 governments leads to inefficiency, which is bankrupting us. Let us not try to find formulas. I think that the only formula that will help us understand, the only intelligent formula, is power to

the provinces. Most provinces should have almost all the powers, as Quebec is asking for.

Madam Speaker, it is quite important because we are talking about the future of a country which is going broke. We must talk about it a little. The problem is that Quebec is rightly asking for at least 22 or 23 powers to be able to develop. On the other hand, the federal government wants to have all the powers. How much longer will this confrontation go on? Ten years, fifteen years, twenty years? This problem must be solved damn soon. Even if we came up with the best tax system in the world, we are still going broke day by day. For the past 20 years we have not been able to get the annual deficit below $30 billion. Something is not working there. The solution is a very high level of decentralization. We go even further than that, because English Canada does not understand. We say that we want Quebec to be a sovereign state. Maybe after that they will understand that we are right. Ontario will become sovereign, so will the west and the east, and then they may associate in some way. But the problem lies there.

Mr. Boudria: Sovereignty for Longueuil.

Mr. Leblanc (Longueuil): No, no. That is the problem, Madam Speaker, and that is what I want to say to the hon. member. There are 11 governments in this country and that is why it does not work. You must understand that once and for all. That is reality.

Mr. Mills: Madam Speaker, the hon. member for Longueuil asked a good question. I will comment on the flat tax system a little later.

[*English*]

Madam Speaker, I want to say to the member from the Bloc Quebecois that his course, in my humble opinion, is doing more harm to fracture the economy of this country than any measure the Government of Canada is taking. If you support my view that we must attract foreign capital here in order to create jobs, I say with care and respect that when foreign investors hear that in the nation's boardroom—and this is the nation's boardroom—there are members here who want to split this country up, they will say: "How and why should I invest in a country where there is such talk?" Therefore I hope that in time we can convince him and his party that his thought process is not the right way to go. I believe the member is right that we have too many layers of government. But to throw the whole thing up and say that we should just throw this country away would be like me saying that I wanted to create my own country in Broadview—Greenwood.

• (1200)

I say to the hon. member that is a little bit too impractical for me to declare my own country in Broadview—Greenwood and then to have a country in Eglinton North.

I want to go back, seriously, to the hon. member because he has care and compassion for his constituents the same way that I have for mine.

I believe that if your constituents were fully employed, competitive, fully respected, with dignity, the idea of wanting to leave this country would probably be the last thing on their minds. I see the President of the Treasury Board sitting in this House today, one of the smartest members on that side of the House in the cabinet. He must use his influence to tell his friends in the province of Quebec that we are going to reform the tax system, we are going to put everybody in this country back to work including his own section, so that the ideas of the Bloc Quebecois can be squelched.

It is incumbent upon those members from the province of Quebec who are on the government side, as well as on our side, to say that we are going to reconstruct some ideas here that are related to creating wealth and quality of life and not just with the emotional frustration that always has existed and from time to time will always exist because of our cultural differences.

For years we have always been able to get over those cultural differences. They exist. I do not deny that. That is fine. But, if we really want to galvanize the will of the country, the quickest way is to make sure that the economy of this country is working correctly, and that ultimately will defeat the arguments of the Bloc Quebecois.

Mr. Joseph Volpe (Eglinton—Lawrence): Madam Speaker, I want to compliment first of all my colleague from Broadview—Greenwood for raising some extremely good points. One that is of great importance to all of us is to finally define for all Canadians and for members of this House the relevancy of some of the legislation that is passed.

My colleague from Broadview—Greenwood refers to some constituents who said: "Dennis, what in heaven's name is in this document that is an inch and a half thick? What will it do for each one of us on a day-to-day basis? How is it going to impact on the way that we pay taxes? How is it going to impact on the way that those taxes are redistributed? In fact, is there fairness in the way the taxes are imposed? And finally, how is that going to help to ensure that my own enterprise, my job, what I work for for my family, is going to be able to translate into something tangible, something material, something toward which we can work, and something which can act as a lighthouse when we come to define the objectives of this country?"

I am afraid that when I looked at the bill I could not answer his question. I am going to address some seven points to illustrate the problems that I think are inherent in something like Bill C-18 and the activities that lead up to its implementation. I could not say it any better than a constituent, Mr. Gabriel Petricca of Claudia Avenue in Woodbridge, who sent me a copy of a letter addressed to the Prime Minister. It is a three-page letter. I am not going to impose it on the House, but there are a few paragraphs that are worthy of being read simply because they illustrate the kinds of temperament, the psychological environment in which we find ourselves, a psychological environment that my colleague from Broadview—Greenwood has so lucidly put forward.

We cannot be in an environment in which we are debating for the sake of filling up air time and talking about esoteric legislation that is of absolutely no relevance to the constituents of this nation.

I quote: "I'm fed up with the empty promises and committees reviewing these promises. We are in serious trouble and help is expected now. The next election is too late".

"It is totally ridiculous to have members of Parliament sit in their daily routine of so-called debates while 26 million Canadians wait for what always seems to be the result of less than juvenile decisions and totally unacceptable solutions". As an aside, perhaps we are talking about Bill C-18. "We need jobs. We need foreign investment, greater export of our products, more professional and skilled people, et cetera. I am not telling you anything you do not already know. When will some positive solutions be initiated?"

This is a direct quote from a letter to the Prime Minister, and I continue:

"Why are we selling government assets? Why are corporations relocating to the United States? Why were interest rates increased which in turn provoked a chain reaction to a downward economy? Why did we negotiate a free trade agreement without benefiting the majority of our enterprises? Why is it becoming more attractive to stay home and collect money from UIC, from welfare, from WCB, et cetera? I could go on forever, but will it make a difference?"

I am going to refer to that letter once again. We can see, just from those few lines, that there is an air of despair among many in our community of Canada. What are we doing to address that despair? If anything, all members of Parliament and all politicians should be dealers in hope. We should be offering ideas that suggest there is an opportunity to move forward.

The gentleman who wrote this letter was born, raised and educated in Canada. He engaged in an entrepreneurial environment for the longest time with some success. He was responsible for 15 people working directly as a result of his initiative and responsible for an additional 100 to 150 other jobs which indirectly flowed from his activity. He is virtually bankrupt. I guess when he looks at Bill C-18 he will say: "So is this Parliament".

We would take a look at it and we would ask: "What is the scope of this legislation?" The minister says: "It is designed to introduce fairness in the system". My colleague from Broadview—Greenwood says: "Okay, let us talk fairness, but let us talk results as well".

If we introduce a sense of fairness, is it going to produce more jobs? Is it going to change the psychological environment which reconstructs the Canadian desire to invent, to engage in commerce, trade and manufacturing? Are we addressing what this country needs desperately today? It needs a revitalization of the economy, a revitalization of the kind of commerce in and among provinces that will give each and every Canadian a stake in this country.

Bill C-18 professes to address a fairness package in which the revenue minister, for example, would allow all Canadians to go back five years instead of three to claim additional tax refunds and credits and in which the minister would waive interest charges and penalties in meritorious cases. This is another example of the kind of tinkering that suggests a lack of scope and a lack of

vision. We do not see the larger picture. We are looking at the trees without seeing the forest.

The government has been saying that it wants to be fair to taxpayers for an enormous length of time and yet just the other day in the Auditor General's report we find that 37 per cent of all adult Canadians, 6.5 million Canadians, cannot read the income tax form because it is too complicated. Fairness comes with simplicity. Twenty per cent of all people who called Revenue Canada for assistance with their income tax got no response or were misinformed, which is worse, on the implications of their tax on their tax form. Sixty-eight per cent of all people who phoned for tax information kept getting busy signals. That has to tell us that if we want to introduce some fairness in the system we must simplify the system in terms of imposition of tax, tax forms, that we make access to the appropriate departments readily available.

• (1210)

Forty-two per cent of taxpayers in 1987 needed help to fill out their income tax forms. We cannot speak about fairness in an esoteric term, throw out another document this size and say: "We've solved the problem of unfairness in the tax system". That is just garbage. There is nothing in here that is going to decrease the kinds of statistics that I have just given.

I know my colleague from Longueuil was talking about sovereignty in all provinces of the country. I have not heard so much hogwash in all of my life. There is no one where I come from who does not think of himself or herself as an integral component of Canadian society and regards everybody else, all other 27 million who live in this country, as being one and the same in terms of equality, in terms of the way they are to be treated and in terms of accessibility to their government; the government which resides presumably in this House.

Eighty per cent of the people in a York University study indicated that the tax system is grossly unfair. I know my colleague from Broadview—Greenwood would identify with that. He has proposed a system that would make it much more fair, a single tax system. It is worthy of study. Eighty per cent of Canadians would agree with him.

The people who have sought tax reassessment are not given any explanations under current legislation as to why the department changes its original assessment. There is too much, if you will, discretion on the part of the department.

That is just one of the components. I want to refer back to what we were talking about earlier. One component is fairness in tax; another one is what we do with a tax and why we implement tax.

Before I go on to that second point, I think it is worth reflecting on finance department statistics. They are dated October 25. The fact that we got them only last week in our offices—and they refer to statistics of August 1991—suggests that information is slow. I have to assume that there is a conspiracy about it all that works against members being current on all information.

Here is some of that information. For this year personal income taxes so far have gone up. We are in the midst of a recession. Somebody in this House and others throughout this country suggest we are in a double dip. This is a recession on top of a recession. Personal income taxes went up in the first eight months of this year.

For the first eight months of this year, while we are in a recession, personal income taxes go up. Unemployment went up. Where is the government getting this additional revenue? It certainly is not getting it from people who are working because we have more and more unemployed. It has to be through squeezing the tax system because obviously people are paying more in personal income taxes. It is a ridiculous situation.

Second, the bill proposes to exempt Canadian based shipping companies from paying taxes on international earnings because it says this might create an additional 1,000 jobs per annum over the course of the next 10 years. Members on both sides of this House and in particular in the opposition have been more than gracious, more than patient, more than civil in giving the government the benefit of the doubt on most of its projections.

The projections for the free trade agreement said it was supposed to create jobs. We are faced with a 13 per cent decline in the manufacturing sector. We are faced with 226,000 jobs lost in Ontario alone over the course of this last year thanks to, in large measure, the free trade agreement. We are faced with a severe problem among

older workers because of a lack of adjustment training programs for them and the piddling little amount that the government threw out in its last package of $15 million.

When you work out how many people are going to be relying on that, it is less than a piddling amount, it is an absolute insult. It does not all have to do with money, but it reflects the government's lack of conscience in having prepared its citizens for a tremendous change, a structural change, economically and socially. Fifteen million dollars is about the same amount as Judas Iscariot got about 2,000 years ago.

I remind the House that while we are talking about producing little trinkets and little adjustments to the act in order to promote international trade, for the first time since 1976 we have a deficit in foreign trade. This is a country that makes its living from trade. This is a government whose livelihood depends on foreign trade. Regarding all of the government's estimates and all the government's projections and all the government's initiatives, as my constituent said, we do not know where they are going. Where are they taking us?

Let us stop fooling around and tinkering with legislation and let us do as my colleague for Broadview—Greenwood says. Let us be definitive. Let us say we are going to turn this country around and engage in a significant initiative, instead of setting up another commission to find out whether we are going to be competitive. We can darned well be competitive, but let us see what the government is going to do.

The third item under this legislation is going to extend capital taxed insurance companies. This tax has been applied since 1988 to trust companies and banks that have assets in excess of $200 million. The capital tax is intended to be an alternative income tax in lieu of appropriate income tax. Again this is further tinkering.

It will be instructive for the appropriate minister to understand that the finance committee chairman has already noted that between 1988 and 1990: "The life insurance industry was making a billion dollars a year in profits and was paying essentially nothing in income tax". Can you believe that? It is no wonder that Canadians get disheartened when a government, which wants its citizenry to make sacrifices left, right and centre, is not addressing some of the basic inequities of our system.

Corporate taxes as a proportion of over-all tax revenues have decreased from 15 per cent of the total in 1984, when this government came into power, to a mere 8.7 per cent in 1990. The proportion of personal income tax has increased from 49 per cent of total revenues in 1984 to 56 per cent last year. Again I refer to finance department statistics of this year. Revenues from corporate taxes dropped in the month of August by more than 50 per cent. They are down year over year, from last year until this year in August, by a full 26 per cent. A large measure of that is due to the fact that the economy is on the skids thanks again to our own government. A good deal of that is due to a lot of bankruptcies as a result of government initiatives. At the same time, personal income taxes have increased.

If this bill is going to address some of the inequities—and remember the government says it is going to be a fairness package—I would like to point to a fifth item, and this is one that really grates on everybody's sense of justice. Changes are going to be made to the disability tax credit of $575 to $700 annually, an increase that is supposed to result in about $35 million to a total of $200 million and extend a medical expenses tax credit of $5,000 to non-working disabled.

My colleague who sat on the committee on the disabled with me is going to be absolutely upset when he gets up to speak. This is crazy. It is just absolutely shocking.

• (1220)

It is another pittance thrown in the direction of the people who need it most. These people are Canadians who have been working for Canada for all of their lives and want an opportunity to access entrepreneurialism and their government in a way that everybody else does. What do we do? We come across with a gift, just a little something to keep them quiet. It does not even meet the level of inflation.

What else is this bill going to do? The bill will allow shareholders in small businesses to go public with their shares and to still benefit from the $500,000 capital gains tax exemption.

My colleague says: "This is good". It is good. Do you know why it is good? Because if anything is required for small businesses today it is cash flow. What all businesses need is access to money. My colleague for Broadview—Greenwood indicated that there is no money. You cannot get any. It does not matter if the interest rates are low, you will not get any money. Part of the reason is because a lot of the equity is being devalued and you cannot raise money on equity that is not there. This is just a small part of the government's high tax policy, high dollar policy and high interest rate policy of the last year and a half. It is almost like Paul's conversion on the way to Damascus. Finally we see the light. We are going to do something. Let us tinker instead of changing the whole bloody system.

How much longer are we going to wait and for how long are we going to tinker as the economy collapses around us? That makes me an interventionist. I would rather be accused of intervening on behalf of all Canadians than sit here twiddling my thumbs saying: I cannot do this, I cannot do that. When I look at this item of legislation I see that if I change a comma, a semi-colon or a word, that could have severe implications. Give us a break.

If this government is going to be serious then let us put Canadians back to work. Let us give Canadians an opportunity to look forward to a life that is at least as good as the one they enjoyed a few years ago and one that they can promise to their own children and to their own families.

Bill C-18 is not doing that. In fact when I speak about families, one of the things this bill addresses is the registered education saving plan limits. It wants to ensure that people do not avoid too much taxation. Are we ready for this? This is after I pointed out that the government already says that taxation of personal income has increased. In a year of recession the limit is set at $1,500 annually per child. When I think of someone who has four children I find this offensive.

Since 1986-87 federal spending on education and training has increased by a mere 6.5 per cent. Inflation over the same period has gone up 25.5 per cent. That means there has been a negative contribution by the federal government on education. This is the same government that is talking about increasing R and D and doing something else in order to establish our competitiveness. How are you going to establish competitiveness if you do not have any faith in your own population?

This kind of contribution is the lowest since 1983. This is pouring salt on the wound. The government then imposes a 3 per cent tax on university student loans attacking those who are obviously most in need and those who are most in a position to do something about our competitiveness. It does not mention the GST on textbooks at all.

There are so many inherent contradictions that one boils into a rage when thinking about this kind of legislation. I would like to read more of that letter from a constituent. The letter is more apropos the kind of discussion we have in this House than virtually anything that any member can say here in defence of government policy or initiatives on a partisan basis. I will defer to your request to stop and answer any questions that might come up. But I thank you for listening.

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, I want to thank the hon. member for his intervention. As a former educator I know how interested he is in making sure that students who have the ability and want to complete their education will be allowed to do so.

This year my daughter began her studies at Carleton University. Some of her friends from the secondary school she came from could not attend university because one of the spouses lost a job or the family income was just too low to allow them to go to university. Students with even higher abilities than my daughter and students who could complete post-secondary education did not go. They had to go to work because they could not afford to go to university.

This week my daughter tells me that already at Carleton the professors and the administrators are announcing that the tuition fees for next year will go up by 20 or 30 per cent. What impact will this have on the secondary school students who want to go on to university next year?

Mr. Volpe: Madam Speaker, I thank my colleague for the question. As I mentioned a moment ago I am also a parent so I am not talking as a politician. We are accused today of speaking only in our own self-interests and out of partisanship.

Any parent has to be worried about what is happening in our system. My own case is much like that of my colleagues. I am going to be faced with trying to budget for my children. Do I want to give them the same opportunity that my parents gave me? Of course I do. So does everybody else. But will I be able to afford it?

My colleague has given a rhetorical answer to a rhetorical question. No, we will not be able to afford it without enormous sacrifices. If we are looking at a 25 to 30 per cent increase in tuition costs alone, assuming that a student lives at home, then obviously he or she will not be able to go elsewhere because the costs will increase for education. First, they are going to be tied to home. Second, because of those cost increases in tuition, books and other appended costs—

An hon. member: With GST on top of that.

Mr. Volpe: With GST on top of that. My colleague is absolutely right.

We are going to have a body of our citizenry which is currently able to improve itself intellectually and able to improve by extrapolation the pool of intellectual resources for this country that is best able to adapt to the needs of the post-technological era.

In Canada we are already in that era. Our population is not meeting the challenges. How many times have we heard in this House that we have the highest illiteracy rate among adults in the western world? We have the highest high school dropout rate in the western world.

My colleague asks in a very sincere fashion: "What is going to happen to our population in the high schools when they see that tuition rates are going to increase as a result of this government's initiatives?" I can only suggest that the government is either being mischievous in building in disincentives or Canadians are going to respond to the market initiatives the government has created. The market initiatives say: "Kids, do not go to school. Try to get a dead end job because you cannot go to school". This is no way to develop a competitive society. It is no way to meet the challenges of a post-technological period. It is no way to build a future for our families. It is not the way my colleague from Broadview—Greenwood and I would like to see it happen for our families and all Canadians.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Madam Speaker, two Liberal members spoke earlier and they particularly mentioned capital flight to the United States and tax reform. But at the same time the hon. member for Winnipeg North tells us that businesses are not taxed enough. I do not see the logic in all that. Our businesses are leaving because they are overtaxed. You can always tax business more, but if you do that you are likely to raise prices. And who is the consumer? The wage earners. It is always the consumer who pays in the end. Let us try to be honest and speak frankly and say that it is always the consumer who pays.

• (1230)

Obviously there must be a good balance in a tax system. We can arouse interest here and there with what we believe are better approaches. The big problem is not so much the tax system but debt reduction. That is the big problem. How do we achieve that? As I said earlier, we must decentralize. That is the big problem. I have been dealing with it since I got here seven years ago. For six years now I have been travelling across Canada with committees on the economy, and all the top specialists say the same thing: We have to be able to get together, unions, management, research centres and universities, on manpower training and other things. Unfortunately that co-ordinated effort is not possible when 11 governments in this country contradict each other, leading to inconsistency. That is where the problem lies. Therefore, if we want to pay off the debt we must decentralize. Unfortunately jurisdictions other than Quebec want the opposite; they want an economic union so strong and so centralized that they are even willing to legislate that. English Canada wants to centralize.

Well, it does not work. That will lead to bankruptcy. Even with the best tax system in the world, if we do not improve our efficiency, if we do not create wealth, how can we share it? We must first create it; we must decentralize. But since you do not want to decentralize, we want sovereignty for Quebec. And perhaps you will understand that we are right. Otherwise, we are going to sink in the same boat with you. Since we do not want to sink in the same boat, we have decided to look after our

own business. That is what we are doing, since you do not want to understand that decentralization will save Canada. But you do not understand that. Yet, that is what all the experts say. Madam Speaker, that is why I say you can talk about taxation as much as you want, but first create wealth. And to do that you must decentralize economic activity.

Mr. Volpe: Madam Speaker, I believe that all members of this House are just as confused as I am. Here is a member from Quebec, from the Bloc Quebecois, who talks like a Conservative, like a member of the government that he deserted. He deserted the government. He deserted the principles, programs and policies of the Conservative government, but he still uses the same words, the same vocabulary, and he displays, once again, the same mentality that was shown to be unfair and does not reflect today's reality.

[*English*]

If we are going to listen to a member such as this who says that there is a basic incoherency, Madam Speaker, I submit that the incoherency of the philosophy and program to create wealth for our country and give new hope to the citizens of Canada, Quebec, Ontario and all the other regions in the country is scary. I would suggest to my friend that the problem lies in the programs of the government of which he was a member, which proposed a very high interest rate, the highest level for the last eight years.

[*English*]

It is 14.75 per cent over the course of the last year, a differential between us, the United States and the world market that is in excess of what this economy can support. The kinds of taxation policies that he would have proposed are not going to be solved by decentralization. It is going to increase it.

The hon. member should be honest.

[*Translation*]

The hon. member should have the honesty to admit to Quebecers and to all Canadians that decentralizing economic programs in a global world, on a global market, makes no sense at all.

[*English*]

Mr. Neil Young (Beaches—Woodbine): Madam Speaker, I do not intend to speak too long on Bill C–18 since I spoke about the area I am immediately concerned with at some length at second reading. Also, the hon. member for Winnipeg Transcona, the critic for our party, has addressed the more general concerns that we have about this piece of legislation.

At the beginning of the debate today, the Minister of State for Finance referred to the fact that my colleague, the hon. member for Winnipeg Transcona, had spoken to him about the possibility of receiving unanimous consent from the House to introduce a few very important amendments. By the time a number of individuals had managed to work out the technical language for the amendments last night, it was too late to submit them before the 6 p.m. deadline of yesterday for introduction to the House today.

Those amendments, which I consider to be very important, would come under clause 91 of this rather thick, weighty piece of legislation that we have before us. The amendments originated primarily from the Canadian Association for Community Living which on November 8 had faxed a copy of its concerns, which are spelled out in some detail, to the chairman of the Standing Committee on Finance for consideration by that committee.

It would appear that that fax was either inadvertently misplaced or was not received by the chair because that particular fax was not circulated to members of the committee who, it would be reasonable to assume, therefore were not aware of these concerns. If they had been aware of those concerns, of course we might have been facing a different type of debate today than we are.

Even as late as yesterday the Canadian Association for Community Living faxed another letter, this time to the Minister of Finance, asking that consideration be given to these concerns even at this late date. If I have your approval, Madam Speaker, I will read this letter into the record because I think it is very important. It is from Dr. Raffath Sayeed, an executive member of the Canadian Association for Community Living. The pertinent points, Madam Speaker, which I think you will find of interest begin with:

On November 8, 1991, you should have received a fax of the CACL brief on Bill C-18 submitted to the Finance Committee sent to you by Dulcie McCallum of the CACL office. We understand this Bill is before the House of Commons tomorrow with the vote deferred until Monday next. A second copy of the brief is attached to this letter and faxed for your convenience.

It is critical that the amendments to the Income Tax Act be inclusive of people with mental disabilities without showing any disrespect in the process. Our submission to the committee could have guided a possible amendment to the definition section. This does not appear to have happened. This may simply be due to the fact that our brief appears to have been inadvertently misplaced or not received by the office of the chair. It has not yet been circulated to the committee.

It is important that, at the very least, at this stage, the definition of daily living be amended. This definition defines which persons with disabilities will qualify for the tax benefit.

Attached for your immediate consideration is a proposed amendment to section 91 of the Bill. We invite you to move this amendment.

• (1240)

They were asking the government even at that late hour yesterday to give consideration to these concerns which, through no fault of their own, were misplaced rather than discussed and considered by the finance committee when it had this legislation before it.

For the record, I think the House deserves to hear these concerns. Since the finance committee did not have an opportunity for one reason or another to consider these, I am going to take this opportunity while I am on my feet to read these concerns into the record.

These concerns are with respect to the definition of severe and prolonged impairment as it can be and probably will be interpreted under this act to the detriment of many thousands of people in this country who have a developmental handicap.

This is what the Canadian Association for Community Living said in that fax sent through the chair of that committee by Dulcie McCallum:

We understand that the purpose behind the change in definition of "severe and prolonged impairment" is to reduce the number of potential claimants of the disability tax credit and other disability related expenses. We respect the legislative intent of ensuring that claimants are indeed bona fide recipients of the benefits granted by the credit. We believe, however, that this proposed change will not accomplish that goal, nor will it ensure that all those who ought to receive the benefit of the credit, will.

2. The primary change is to give functional expression in the legislation to what presumably has been the criteria applied by physicians in certifying that a person is "markedly restricted to his activities of daily living". The amendment seems to restrict what was apparently a broad interpretation being given to those words by physicians. We applaud the move away from a model that bases a finding of disability within the discretion of professional medical experts. Unfortunately, very little that is listed makes sense in the context of people with mental handicaps. There appears to be an emphasis placed on physical disability and a fundamental misunderstanding of what it means to have a mental handicap. There is considerable work being done at the present time in a number of jurisdictions (B.C., Yukon, Manitoba, Ontario, New Brunswick) on the question of how you properly determine when an individual with a mental disability requires support in making decisions. The traditional form of assessment has been called into question throughout these reviews. We question whether or not the definition as is proposed will not force people to rely on traditional medical assessments which in the case of people with mental handicaps is wholly inappropriate.

3. It is unlikely that most people with mental handicaps would consider themselves as being "markedly restricted" in "perceiving, thinking, and remembering" and yet little else in the "basic activity of daily living" shopping lists relates to their situation. What it means to have a mental handicap, for the purpose of your definition, must be distinguished from having a mental illness. People with a mental handicap historically referred to as "retarded", perceive, think, and remember in the same manner as all of us. The only difference may be in how quickly they are able to think and make decisions. The negative consequences of the proposed amendment is that people with mental handicaps will, in order to receive the benefit of the disability tax credit, be forced into conceding that their ability to perceive, think, or remember is markedly restricted which in the great majority of cases is not true.

4. The result is that a significant number of individuals with mental handicaps who, by an appropriate test, ought to qualify but who are not prepared to concede that their ability to perceive, think or remember is markedly restricted will be excluded. Further, since any restriction on the ability to perceive, think and remember can only be measured in a purely contextual and individual way, it is essentially meaningless. On this basis, this definition ought not to go forward.

5. The fact that the definition includes a subsection designed for "greater certainty", which excludes all other activities causes us considerable concern about how the bill protects the interests of people with mental handicaps. Because of the nature of the mental handicap, some people may only require support in employment and house management. The intent of the legislation could not have been to disentitle a taxpayer from the disability tax credit when that person has a mental handicap and is working and living semi-independently with support. That, however, is our reading of the legislation for the individual who can perform the basic activities of daily living listed in section 118.4(1)(c) of the bill.

On another matter, attendant care, I quote:

> One cautionary note regarding attendant care. As an association dedicated to promoting communities where families and friends provide natural supports to people with mental handicaps, we respect the principle that families ought not to be paid for doing what is considered to be their duty. However, as we have seen in the case of parents who have chosen to remain in their home to care for their children, their work is often devalued because it is unpaid. We continue to seek means by which the tax and other systems can acknowledge the value of that work. Similarly, for spouses of people who require attendant care, their work needs to be valued. We must focus on the reality of such situations. Is it not preferable to financially support a couple to stay together and permit the required attendant care to be provided by a loved one, rather than forcing the spouse to seek work outside the home in order to avoid financial peril? I would propose that this be considered and resolved in your deliberations.

It goes on to urge the government to take that into consideration even at this late date.

As I pointed out at second reading of this bill, I am extremely disappointed, to say the least, that for the last 10 or 11 years or so this House has had a standing committee with a mandate to increase awareness around issues affecting Canada's disabled population. That committee has tabled countless reports in this House which have been agreed to by members on all sides of the House. These reports have not only been agreed to, but agreed to with great enthusiasm as it were, and yet we are faced with this kind of legislation that is totally contrary, if not offensive, to a huge chunk of Canada's population who happen to be developmentally disabled.

If the bureaucrats are not prepared to listen to what committees have to say, I have to wonder whether the politicians are even listening to what these people have to say. We are their political masters. This kind of language which is, as I said earlier, offensive, is going to deprive a whole number of Canadians who are presently in receipt of a benefit under our tax laws for very good reasons. They will in the future be denied that tax benefit.

We are in a situation where rather than going forward, as we should be going, we are taking steps backward. I have to say again: Why is that happening?

I also want to say that it is not too late simply because the committee did not receive the brief that it should have received. It did not have an opportunity to consider not only the concerns, but the very good arguments that were presented by the Canadian Association for Community Living.

• (1250)

Since the House cannot receive these amendments based on purely technical reasons, even though our critic, the hon. member for Winnipeg Transcona attempted to get the minister's agreement for unanimous consent to proceed with it in the House today, what could happen if the minister were open to this suggestion is that in the instructional bulletins that interpret this act which will come after the bill is passed, the minister could, if he had the political will, make sure that the interpretations being given to this act by people within the income tax department follow the principles included in that letter to the Minister of Finance.

It is not too late to do something about it. I would simply urge the Minister of Finance to do just that.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I want to congratulate the member who continues to show his caring and compassion for the disabled community of this country.

He has articulated well the problem of having a complex tax design. One of the reasons we should take the disabled factor out of the tax design is because there is so much variation from disabled person to disabled person.

We have over two million disabled in this country. I think rather than to try to lump people into a complicated section of the tax design, it would be better to deal with disabled people through direct program funding in which every case could be treated with individual design.

I was just wondering if the hon. member for Beaches—Woodbine would care to elaborate on program funding. It does cost the taxpayer in a direct way but very few Canadians realize that even in the form of a tax credit it is still a cost to the Treasury. We do not seem to be able to deal with the individuality of every case this way. If we did it in a direct way, I think it would be much more fair.

I would like to have the hon. member's comments on that.

Mr. Young (Beaches—Woodbine): Madam Speaker, I want to thank the hon. member for Broadview—Greenwood for his question. There are a number of approaches taken, not only in this jurisdiction but in other jurisdic-

tions, which would allow disabled persons to participate fully in the mainstream of society.

Some people I have talked to over the years say: "It is okay for you guys to talk about ending discrimination against someone who happens to be disabled, but you never want to talk about the amount of money that may cost". There are two arguments against that approach. The first I think is beneficial not only to the individual who is disabled but beneficial to society as a whole, and that is to have people who happened to be disabled in one capacity or another live a full life within society. I also think there is a cost benefit in that.

Finally about a year or so ago the United States introduced and passed with support from all segments of society legislation called "The Americans with Disabilities Act". One of the big motivators in having legislators in the United States bring forward that legislation, which is fairly progressive in terms of American society, is the huge cost to the American economy of not integrating the disabled into society.

I forget what the exact figure was but our committee went to Washington to talk to some people about that. It was estimated that the cost to society of not integrating the disabled into the community ran in the billions and billions of dollars.

The hon. member for Eglinton—Lawrence was with me at the time, and he can attest to that. It is not only what may be a cost to the taxpayer through the tax system that allows someone to live within a Canadian society. It is the cost if it was not done.

I think the Income Tax Act is a tool that can be used under some circumstances. It does not come near the point of addressing the problems that the disabled individual has in living in Canadian society. They will only be addressed once we have finally recognized that a disabled person has the right to a job, the right to transportation, the right to recreation, the right to every right that an able-bodied Canadian has.

Unless we are prepared to face that and make some decisions in a very clear way, the concerns that Canada's disabled population has will never be addressed. You cannot tinker with the Income Tax Act to address that. It is a part of the tinkering. It is certainly not the solution.

[*Translation*]

Mr. Champagne (Champlain): Madam Speaker, on a point of order I would like to know whether there is unanimous consent for continuing the debate during lunch time.

[*English*]

Mr. Boudria: Madam Speaker, our party has been consulted. We agree to that, providing there will be no quorum call or any other such motion utilized during that period.

We also only agree for the duration of this bill, and not to start any new legislation. Providing that is the case, we agree.

Mr. Blaikie: Madam Speaker, we also have been consulted and would agree to the request made by the hon. member with the conditions outlined by the hon. member for Glengarry—Prescott—Russell.

[*Translation*]

Mr. Champagne: That is exactly what we had in mind, Madam Speaker.

Mr. Leblanc (Longueuil): Madam Speaker, on behalf of the Bloc Quebecois, I agree because I think this is a very important matter, especially for the future of Quebec.

[*English*]

Mr. Howard Crosby (Halifax West): Madam Speaker, I will be very brief.

I am not in any way in any disagreement with the remarks made by the hon. member about disabled persons and the method of taxation that may be applied to them.

I just want to make a general comment about the whole taxation system in Canada. Throughout this debate members have been calling for a simpler taxation system for the kinds of reforms that would make the taxation system more understandable and they are giving the impression that this can be done.

The fact of the matter is that we have a simple taxation system in Canada. We simply take a percentage of a person's income. There are three levels of percentages taken from income. The approximately 300 pages of this act on top of all the other pages of taxation legislation are related to the interpretation of what constitutes a person's income.

We have a simple system. What we have grafted on to the simple system is a whole lot of rules. At this very moment the member is asking for yet another variation on the system which is the method by which we tax disabled persons.

It will mean more rules and more ramifications in the tax system and I do not deny that is a necessary and desirable goal. The point is that it will add more and more to the system.

I would just ask members, when they are talking about our tax system and the tax legislation before the House, to recognize and remember that the system itself is simple.

Mr. Mills: Oh.

• (1300)

Mr. Crosby: That is exactly my point. The remark of the member for Broadview—Greenwood is exactly my complaint. He wants to pretend that there can be a simple system in which you take a percentage of a person's income. That is what this system does. We take a percentage of income.

We get into all kinds of arguments and discussions and ramifications about what constitutes a person's income for the purpose of that percentage. Perhaps he knows a way around it and knows a way to tax disabled persons that would be fair to them, that would allow them to fill out their income tax and say: "That's fair, that's what I should be paying and I'll go along with that".

There is not a Canadian, I believe, who is ever going to fill out their income tax form and at the end of it say: "That's fair; I don't mind paying that tax. That will help support government services and it is my contribution". No matter what tax Canadians pay, they are going to consider it an unfair tax. There is no such thing as a fair tax, and members who try to pretend there is, in speeches in the House and elsewhere, are just trying to delude the public.

Mr. Young (Beaches—Woodbine): Very briefly, Madam Speaker, I hope the hon. member is not correct because the minister as he addressed the House this morning indicated that he saw some merit in the argument I just presented, and he will ask his officials to consider these arguments when they next review these regulations.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, I listened with interest to my hon. colleague across the way as he spoke about fair taxes and the tax system. I can well remember many, many times in this House when he sat over on this side of the House in the opposition. We heard cries every day of "simplify the tax forms", "why do you make them so complicated", "it is all part of the tax system". Today we are in the same debate and tax forms are not simple today either. Nor is the scheme of taxation.

We look at this bill this morning, some 400 pages of legal language presented in this House covering subjects like an an act to amend the Income Tax Act, the Canada Pension Plan, the Cultural Property Export and Import Act, the Income Tax Conventions Interpretation Act, the Tax Court of Canada Act, the Unemployment Insurance Act, the Canada–Newfoundland Atlantic Accord Implementation Act, the Canada–Nova Scotia Offshore Petroleum Resources Accord Implementation Act and certain related acts. You have all that in this one bill.

I can remember debates in this House when people used to go into tirades because there were so many things in one bill. We see here today that the very people who used to go into those tirades are presenting this 400–page bill to the House of Commons dealing with all those taxation items. It also deals with the Canada Pension Plan, unemployment insurance program and regional development programs. They are all in one bill.

I did that to show how complicated things can really get in this place. When people start talking about simplification, I wonder. I wonder how many hidden intricacies there are in this bill that have not been identified. We have seen legislation introduced in this House in the past in which after the legislation was put into practice it was found that it was quite different than some people thought it was going to be in the first instance.

My point is that on the important issue of taxation, which is a very complicated subject, legislative members in this House are at a great disadvantage to know everything in a bill like this. To read it from cover to

cover would be a nightmare because of the legal jargon in which it is written.

It has been stated in this House many times before that it is time that we modernized Parliament by producing something in layman's language to accompany the bills. Then members would not have to stay up all night or read for a half a day or a day before they could get up and talk on a complicated subject. There must be some method of simplification.

People talk about complicated tax bills and complicated tax forms. In this House we have not corrected our problem of knowing precisely what the language of these bills means.

For example, this morning the minister talked about many things in what was one of his more informative speeches. I compliment him on the many things he discussed. He talked about such things as venture capital. He discussed some other technicalities of the bill. Tax bills and customs act bills and the rest of them are written in such legal, technical language that things get by without people noticing.

For example, there is a point in the free trade act that would relate to a customs and tax issue. Eddy Match Limited of Canada took two truck loads of matches to the Buffalo Customs Port about 10 days ago. They were stopped at the border. Why? Because the statement "Made in Canada" was not in the right place on each little package of matches. That is a non-tariff barrier.

Imagine, if the company had wanted to take those matches across the border for sale it was actually required to put "Made in Canada" right under the name of the restaurant or hotel to which those matches were to go. "Made in Canada" had to be printed in the same sized lettering as the name of the hotel immediately above it. If there was a chain of restaurants or hotels mentioned on that package of matches "Made in Canada" had to be put after each one, even though the chain may exist in Phoenix, Arizona, Tacoma, Washington, or Boston, Massachusetts, et cetera. The statement "Made in Canada" had to accompany each one in each different place in the United States.

This was just an excuse to put in place a non-tariff barrier to prevent that Canadian product from getting into the United States. Why? Because there is a match company in Texas in serious financial straits. Therefore, you use non-tariff barriers on what is supposed to be a free trade border to help out your own industry in the United States despite the fact that you have a free trade agreement with Canada.

That shows a lack of credibility with that act. What concerns me greatly about a bill this size is that I am told that our officials raised this issue during the free trade talks and the Americans raised the issue. Neither one of them could come to any agreement on it, so they walked away from it and left it as it was. As a result, Canada is being penalized today because we do not have the same tax laws or customs laws with regard to the Americans bringing the same product into Canada. All they have to do is put "Made in the United States" in one line on it and it is across the border. That is on all their products.

However, U.S. customs wants "Made in Canada", and even if there are five hotels named on the package of matches "Made in Canada" must be on that package of matches five times. That demonstrates a total lack of sincerity in any free trade agreement. It is absolutely ludicrous. The Eddy Match company is now on what is called the "watch item" by the American customs and packaging regulation people. That is just one example.

• (1310)

This morning the minister mentioned something that is very dear to my heart and certainly very dear to small business in this country. That is venture capital. If there is any sector in which we are failing today, it is our inability to date to provide a proper source of the venture capital required for small business to operate. Until we get that problem solved we are not going to be helping small businesses to develop and expand in the way they should. Most of them are not looking for handouts. All they want is a fair deal. Give them the money and they will make money to pay it back.

An hon. member: And create jobs.

Mr. Hopkins: And create jobs, as my hon. friend says. Not only that, but solving this problem would help us to retain our natural resources in this country.

I will give you an example of what I mean by that. There is a company in the Ottawa Valley called Two Island Marble. It is a huge deposit and is one of the best quality marbles in the world. The family who has the property and is trying to develop it is looking for venture capital. The company can increase its business. It has all

kinds of orders for material from other companies but it needs that venture capital.

What will happen if this Canada does not provide our small business people, our entrepreneurs, with a source of venture capital? I will tell you. Italy wants to buy this marble deposit. Italian business people will come in, buy it up and operate in Canada. We are sitting here with the resource on our doorstep. There are people who want to develop the company and help it to grow, who are willing to work long hours to make it go. However, while we are revamping our tax system—and these 400 pages are just a small portion of it—we cannot come up with a system of financial venture capital to help out this very important company.

An hon. member: We are tinkering.

Mr. Hopkins: We are tinkering, as my hon. friend says.

The minister mentioned that the government had three very cogent presentations about how it should handle venture capital, where it should get it, where it should source it and so on. He said that all three presented different views and one sometimes counteracted the other.

When that situation arises surely it is up to the Government of Canada to take a lead. That is why the Conservatives were elected to office. They were the ones who were going to help business. What is happening today? It is tough being a small business person out there today because there is going to be another 24.4 per cent increase in unemployment insurance levies. It has to be paid. It is there. The government is not going to pay its share. The government is not going to pay one cent toward the need for increasing the amount of money in the UI fund or help to overcome the $6 billion deficit in the fund itself. It is going to leave it up to the workers of today and the business people to pay. That is an added burden.

In addition to that, small businesses have been inundated with other plans ranging from the office work of handling medical plans, filling out endless taxation forms, filling out endless forms for StatsCanada and everything else under the sun.

They are actually running a small office for governments, whether it be Ontario, the federal government or any province in Canada and the federal government combined. Then they have their dealings with the municipality in which they exist.

They spend so much of their time and energy on paperwork that it lessens their ability to develop and enlarge their businesses, which would allow them to employ people.

We have a real challenge before us today with regard to the regional development program, the unemployment insurance plan and the Canada Assistance Plan. CAP is a tremendous plan and we have to ensure that it is in place for years to come. We have to ensure that medicare is in place for years to come and it will be much cheaper if we pay for it through taxation than through private medical plans. The Americans found that out. They pay about $350 to $400 a month for medicare coverage for their families under the private enterprise system.

Here in Canada we are very fortunate but we have to protect it. That is one area for which we should never really complain about paying taxes because the alternative is many times worse than the taxes to support medicare and the Canada pension system in this country.

I am not going to go into the details of the Canada Pension Plan requirements in this legislation. I do want to say that I note the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act. We had a Canada-Nova Scotia offshore resources agreement. I tabled that legislation in the House back in 1984.

Under this regional development plan I had occasion as chairman of the public accounts committee in the House of Commons to have the Auditor General's report before us. He was highly critical of the way money was spent under that plan.

No matter how you look at it, the more money you spend, the more tax money you have to raise. The old theory that a penny saved is a penny earned is not recognized very much today. However, it certainly is as valid today as it was 100 years ago. Do you know what that money was used for? It was used for the promotion of offshore development resources under Premier Buchanan, who is now over in the other place. They put up street lights, built streets, built bridges and all kinds of little things that were just fantastic. They built a harbour

that was not used very much. All this money went into this infrastructure and very little materialized out of it.

We can never neglect the idea that regional development policies on the part of the federal government are very important to the regions of this country. At the same time, as a federal government we have an obligation to ensure that the money we hand over to somebody else is going to be spent on the things it was meant for.

How are we going to be able to say that the money that is collected should go to the Canada Pension Plan? We have a special fund for that. It is allocated there. Much of the money goes into the general taxation fund which provides a lot of flexibility in how the money is spent. Also, if an agreement is drawn up very loosely it allows the recipients of that money to be very flexible.

• (1320)

I remember Premier Buchanan of Nova Scotia blasting forth at me in *The Halifax Chronicle Herald* because I did not know what I was doing and so on.

If I did not know what I was doing then neither did the Auditor General of Canada. I would suggest that the Auditor General of Canada and the chairman of the public accounts committee knew more about what was going on than Premier Buchanan wanted to admit. This debate went on.

The point I want to make is this. If we are going to collect tax money in Canada to the extent that we are today, let us first make sure that the money is properly labelled and let us have some review to make sure that that money is being spent for the purpose for which it was meant in the first place. Only if we are very careful in the spending of tax dollars in all areas of government will we be able to have a firm, solid, valid and a long-term medicare plan in Canada and a Canada Pension Plan.

My hon. friend to my left who spoke on the Canada Pension Plan and some of the technicalities of it a while ago brought out some of the very specific needs in that plan. My bottom line is simply this. We have an obligation to make sure that those tax dollars are used properly and specifically. If there is any adverse spending or anyone getting great ideas that they are going to do something else with it then they should be reprimanded and brought to task for it.

I want to say to my colleague on my left here, the hon. member for Vanier, that I hope as the new chairman of the public accounts committee he will be very much on the job to see to it that the Auditor General's report is followed up on and that any inequities or any bad spending practices are looked at by that committee and recommendations are made to this House.

One good thing about the public accounts committee is that it can make some very strong reports and recommendations to this House of Commons. The government must respond to them within a certain number of days or within a certain number of months. The committee puts the deadline on that.

It is very important that we have these programs in place. Let us be good tax spenders. This is in addition to being good tax collectors as this government is certainly proving to be. Over the years it has been far beyond our means.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, as I was listening to my colleague from Renfrew—Nipissing—Pembroke I began to think how much more productive these debates can be. Sometimes they are even better than Question Period.

We can deal with issues in a more substantive way. Here today he described well a condition that exists for a major employer in his community, Eddy Match, which through the legalese of a particular act has been frustrated in executing his job.

The member has been in this House for over 26 years. He has seen thousands of different bills come and go. I would like to ask the member if he thinks that maybe the spirit of these laws is dwindling away and the letter of the law or the bureaucracy of the law is taking precedence over the fact that these bills are basically there and ultimately there to provide a public good.

I do not say that public servants do this with ill will but sometimes I think they may lose a sense or a focus of what the Public Service is really supposed to be.

Rather than provide maximum administrative delay on a particular issue they are there to facilitate. They should be looking more at the spirit of the law rather than the letter.

Mr. Hopkins: Madam Speaker, the hon. member raises some very good points. He talked about the spirit of the laws. I would say that the spirit of the free trade law, for example, goes down the drain when you have such

non-tariff barriers entering in to prevent a Canadian product from crossing the American border. Imagine this vast open market that we were promised. You go up to the border and you are stopped. You cannot take your product across the border to sell into that great open market that we debated for so long in this House of Commons.

The hon. member probably brought out a point indirectly that he did not realize. We must remember that the person who negotiated that deal and walked away from it was a long-term bureaucrat in governments in Canada. He should be ashamed of himself for having just thrown up his arms and walked away, not having looked after that part of the task.

The letter of the law. I think the letter of the law is important. I spoke about the way we should handle our finances and be very strict about that. I do not think the letter of the law should bypass common sense. I think what the hon. member was suggesting was that the bureaucracy of the law should not be a hindrance to the Canadian citizen in his or her efforts to be a successful business person or to move ahead in a venture in this country.

The hon. member talked about getting back to the basics. I think that is extremely important. I would just like to wind up my answers to him by saying that the spirit of the law has been a long-time tradition of this House. I think when you go back to try and nit-pick over the letter of the law, you are destroying the very spirit of Parliament itself. That is serious.

The hon. member talks about the bureaucracy producing a 400-page bill here dealing with about seven or eight different acts all in the same package. That really does destroy the spirit of Parliament itself. Members are sent here by their constituents to be legislators. You need to have layman's language as a guideline for a bill like this or any other legislation in this House. I am serious about this. I think there is nothing greater that could happen to the spirit of Parliament itself than to have bills written out in layman's language. They should not be allowed to be tabled in the House until that accompaniment of layman's language is with the bill.

If you do not do that then many people in this House will be voting on bills without fully knowing what is in them. With our strict parliamentary discipline system here, members get up and vote the party line. I think we are going to have to loosen that up a bit in the years to come. There is no question in my mind about that, Madam Speaker. There are going to have to be rules brought in whereby governments can only be defeated under certain conditions and the members released to vote for the regions of this country. That is a very important unity question in my mind.

If members are not well informed about legislation that is going through the House, what you really end up with is executive type government in Canada. An executive type government means that cabinet governs. It lays down the regulations. It brings in the legislation. It gets the troops out to make sure they are here to pass that legislation, and the Canadian people are saddled with the work that we do within that legislation and the carrying out of the rules that go out accompanying it. My big concern is that as society gets more and more complicated and as tax systems get more and more complicated, then we are simply going to have a lot of members in this House who do not have the privilege of having a layman's statement at hand to read the bill and know what is in it. They could then get up and give a very intelligent speech.

• (1330)

I think there would be better speeches in this House of Commons if that type of work was going on. It is very important that people understand. It is very important that the legislators fully understand what is going on so that cabinet does not become the executive of the country by bringing in their legislation and bringing in the troops to pass it. The Canadian public is saddled with that legislation and members of this House are not really informed about what is happening right here in this House.

If there is anything we can do for the spirit of Parliament and the spirit of real democracy in this country, that is one thing that will produce it.

I want to thank my hon. friend from Broadview—Greenwood for that question.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, I am pleased to have an opportunity to enter into the debate on one particular section of this large piece of legislation. It has been

referred to by other members in the House today as a large piece—some 400 pages—of legislation.

I am particularly interested in just putting some comments on the record as they relate to questions around the northern tax allowance which is referred to in this bill. Essentially sections of this bill are implementing measures introduced by the government on the northern tax allowance in response primarily to a great deal of public debate throughout northern Canada and northern British Columbia in my area. This is basically in response to a report prepared for the then Minister of Finance in October 1989. There was a resulting announcement by the government in February of this year in regard to amendments to the legislation on northern benefits.

The end result of all of that is in Bill C-18 which we are debating today. Other members have talked about different aspects of the legislation. My colleague who is the member for Beaches—Woodbine spoke about the disabled. As I mentioned, I would like to enter some comments on the record about the northern tax allowance and what this bill is doing. It is such an important program as it relates to taxation for those people who reside in the northern parts of British Columbia and northern Canada.

Why is such a program so important? First, one must get a sense of how many of us live in northern and remote areas such as in my home town of Prince George and in my riding. Parts of it are remote and isolated. Of course there are may other communities in the country that are a great deal more northern and remote.

Generally speaking, what kind of services do we not have that people in large urban centres have come to take for granted? Some communities in my riding such as Grand Isle have a real problem getting adequate medical service provided. A community like Valemount has to advertise in international publications to try and get doctors to locate in that community to provide health care. Could you imagine people in a community like Toronto, Montreal, Vancouver or Regina not being able to have adequate medical care? Could you imagine simple things like banking services that do not exist in a number of those areas?

Education, for example. We are very pleased in northern B.C. now that we will be getting the University of Northern British Columbia, but sometimes it makes you feel that when you live in some of the remote areas that you have to crawl across crushed glass to convince governments of your needs. It is not that we are asking for a lot. In fact, in many cases I think the people in many northern communities are likely more patient than they really should be with their governments, regardless of which party is in office.

I think we have a great deal to do both from a federal perspective and obviously from a provincial perspective to provide that kind of balance and that level playing field, if you like, for people who live in these communities.

In British Columbia, if you can sell a case a beer for the same price in Vancouver as you can sell it elsewhere in the province then I think governments have an obligation to take a look at providing the kind of services that are needed throughout northern communities.

What we are doing through this bill that is being presented today for us is implementing a number of the follow-ups, as I mentioned, from the government in terms of administering the northern tax allowance. I want to focus on what I think is one particularly important approach to take on this tax, an approach unfortunately not taken by this report and certainly not being followed by the government.

In looking at the report which was conducted with a number of hearings in communities just prior, if I am not mistaken, to the last federal election, the government knew it was in some trouble on this issue. It was an attempt to try and really assuage a great deal of discontent in many northern ridings over this issue and so off we go with a study to take a look at the issue.

The study into the Northern Tax Allowance Program heard from Canadians and people throughout northern communities and talked about how you implement a northern tax allowance. They provided some interesting information as to why you need a northern tax allowance to provide that fairness in the tax system that we are always talking about.

For people who have a copy of the report, I refer them to page 12 where it basically gives a scenario of a community in the north and a community in the south, taking into account that often wages are higher in

northern communities, often but not always, and it takes into account the cost of living and other costs.

Madam Speaker, you would be interested to know that as a result of this particular study that was done, it showed that people living in northern communities end up in fact with less purchasing power than people living in a southern community. I think this lends to my argument that the government was taking a look at this problem in its rejection of a community-by-community approach. That is in fact a mechanism and a program that we should try to follow.

The report talked about how there were many problems related to the community-by-community administration of the northern tax allowance. Indeed, every member of Parliament who has probably dealt with this issue has had some examples to give and that we have pursued with Revenue Canada and others on this program that have just been absolutely ridiculous. In my riding alone the department confused McBride Lake, which is a lake south of Houston in the western end of my riding, with McBride, B.C. which is in the eastern part of my riding. So there was a great deal of confusion over the program. There were also problems with this program in terms of its administration on simple things like on one side of the road you were eligible, on the other side of the road you were not. This report goes into some of the concerns and problems with that administration. They are acknowledged.

• (1340)

I think it is pretty clear that many of the problems that were identified in fact can be rectified and can be corrected with diligence by the department and with the provision of adequate information from the various agencies and ministries often that have to provide that information.

Perhaps in the rejection of that community-by-community approach by the task force and by the government, the government will eventually set up basically a unilateral line of latitude rejecting most communities that had really legitimately looked at having the northern tax allowance. I suspect they went into that with that in mind to really come up with the report that right off the top rejected the community-by-community approach in determining the northern tax allowance.

In my travels in my riding and meeting with constituents on this particular issue, I had an opportunity to meet with an accountant friend in Burns Lake who has handled for his clients a large number of the appeals that people were making on this program and he made a very interesting observation.

About a year or so ago, or longer than that, he acknowledged that there were many problems in the administration of the then existing community-by-community approach taken by Revenue Canada, but he said that they were solving the problems and that they were being handled because the department was starting to understand how to administer that program.

I thought that was an interesting observation. I followed it up with the minister and there seemed to be some indication that the number of appeals or difficulties with the program had been reduced.

In the Auditor General's report that was just released, while there are ample pages here to criticize this government for its flagrant abuse of public funds, it is interesting to see the response from the Department of National Revenue on a question that the Auditor General put essentially on determining whether in fact people were eligible for this program or not.

Of course the perspective of the Auditor General is, and of course a very important one, that the department, if you like, is not improperly assessing these claims so that we are providing providing a benefit where none should be provided.

I guess it is not very often you find people congratulating the Department of National Revenue for its work, but if we were to take its word in the report of the Auditor General and my interpretation of its response to the Auditor General, in fact a computer check by the department of 1988 and 1989 returns of people using or applying for this northern tax allowance in fact indicated and I quote "a reduced risk of non-compliance", i.e. you are cheating, in this area in 1989. As a result enforcement resources were deployed to other activities.

I think that gives some weight and some evidence to the comments from my constituents, in particular the

accountant I referred to, that in fact the department was getting a handle on how to deal with this community-by-community approach. That shows clearly in my mind the commitment I have to developing this community-by-community approach, and that in fact it can work. I think that is a more logical and more consistent way to administer a program like this as opposed to the very arbitrary line of latitude that the government has in the end adopted.

In fact, I am doing my homework and work on this and have asked for a report to be written on developing a proper community-by-community approach that can be dealt with under this program so that communities such as Valemount, Vanderhoof, Fort St. James, Houston and other communities can in fact fit into this system. I think there is a good reason for that, and the good reason is this: If it is the government's goal, federal or provincial, to provide a degree of services to all of its citizens that we have come to expect—and in many cases I think we should demand—then how is it that we discipline ourselves and our own governments to see that that is in fact done? I think there is reason to develop a grading system, depending on the remoteness of a community. If it does not have a lot of the services, then develop a scale. If the government takes the initiative and ends up providing that school or that hospital or that medicare or an entrepreneur or a bank comes in and provides another service, fair enough, drop down the scale. Then we have a way to measure the quality of services that I think all of us deserve whether we live in Vancouver, Regina, Vanderhoof, Penny, Burns Lake or Fraser Lake. That is the kind of system I see being developed here. Unfortunately this government in this legislation is taking a step backward in providing that. Eventually I think we will see basically the complete elimination of this program. That would be bad news obviously for many of the residents of northern Canada.

It is going to take some additional work for those communities that have been successful in the boundaries provided by the government. We also have a new opponent on this, the Reform Party, which is now opposed completely to any kind of northern tax allowance. I think that will come as quite a surprise to many of the former Conservatives mostly who are taking a look at the Reform Party. I think they will be quite surprised by this backward step, which of course we have come to expect from the Reform Party, that is being taken by that party. It is my view, of course, that in the rush to really be Conservatives in drag, if you like, or their concern that the Conservative Party, and even this party, has not been right wing enough in its application of its economic policies, they are trying to outdo even the Conservative Party, and in some cases obviously they have been doing very well. So, the Reform Party and the Conservative Party are united on this. It is another opponent that people who live in northern and remote communities will have in order to try and guarantee the kind of services that we need and I think deserve to have in this country.

It is an important part of a very substantial piece of legislation that I think residents of northern communities should be aware of. I will certainly be informing my constituents in those areas about this legislation, about the changes that are being brought in. I am certainly open if members opposite or in the House are interested in seeing some alternative proposals that my research eventually comes up with. I would of course be pleased to pass it on to them because I think all members of this House who represent rural and northern communities know how important that program is. We have got to fight to keep what little we have left now and we have got to do more work where possible to expand that to include those communities that do need it.

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the third time and passed.

Madam Deputy Speaker: I will now leave the chair until 2 p.m.

The House took recess at 1:47 p.m.

AFTER RECESS

The House resumed 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CANADA–ARMENIA PARLIAMENTARY FRIENDSHIP GROUP

Mr. Jean–Pierre Hogue (Outremont): Mr. Speaker, earlier today the Canada–Armenia Parliamentary Friendship Group's founding organizational committee meeting was held. This is an historic day in the relations between Canada and the newly independent Armenia.

On September 21, 1991 a referendum on independence was held in Armenia. Over 99 per cent of Armenians voted for independence.

On November 15, 1991 the newly elected President of Armenia, Levon Ter–Petrosian, visited Canada. He met with a group of MPs and with our Prime Minister.

With a free and independent Armenia, parliamentarians from Canada and Armenia will be working together to build a truly democratic and financially strong Armenia.

[*Translation*]

Mr. Speaker, today we wish to pay tribute to the people of Armenia and its representatives and assure them of our support.

* * *

[*English*]

PUBLIC SERVICE SUPERANNUATION FUND

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, the 1991 Auditor General's report criticizes the government for mishandling its employee pension funds because it uses the money from these funds to finance government projects. Eighteen per cent of today's public debt is money owing to the Public Service Superannuation Fund.

Had these moneys been invested in the Canadian securities market rather than used for the government's own borrowing needs, an extra 2 per cent could have been added to the rate of return. This would translate into an extra $1.5 billion for the employee pension fund.

A healthier fund would help eliminate an increase in the public debt which Canadians would have to make up through higher taxes.

[*Translation*]

It is high time the government stopped taking undue advantage of employee pension funds. The government should develop a better investment strategy to ensure the best possible return for its employees and for Canadian taxpayers.

* * *

[*English*]

VIOLENCE AGAINST WOMEN

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, two years ago tomorrow 14 bright, young and innocent women were murdered because of their gender by a misogynist named Marc Lepine.

December 6 has been set aside to mark the widespread problem of violence against women and remember the horror that took place two years ago.

We must mark the day that will forever remind us of the women who were murdered. Yet the reality that the pervasive evil of violence against women leaves few Canadians untouched horrifies me.

Tomorrow at a candle–light vigil in Markham I will be lighting a candle for the 14 women who were murdered. I will also be honouring their sisters throughout the world who continue to be abused each day of the year.

* * *

ROYAL CANADIAN MINT

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, yesterday my colleague, the member for Winnipeg Transcona, asked the government why it has not intervened in the almost seven–week old strike at the Mint in Winnipeg.

The response from the government side was:

> —there is no reason for the Minister of Labour to appoint a mediator unless at least one of the sides indicates it has an interest in that.

This was the response despite the fact that section 105 of the labour code provides for the minister to act on his own initiative.

Today in Ottawa 350 Mint workers joined the strike. I have met with these workers and their demands are not unreasonable.

A decent wage for these workers is not out of the question given the profitable situation the Mint enjoys. An increase that reflects the cost of living is not unreasonable, given the bonuses paid to senior management.

The Mint has already spent on this strike alone more than a just wage settlement would have cost. I call on the Minister of Labour to take immediate steps to see a quick and fair settlement to this dispute. He has the authority to act and he should do so without delay.

* * *

MANUFACTURING INDUSTRY

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I wish to speak again to the distress being felt by Canadian manufacturers in my riding of Northumberland and across Canada.

The GST, increased employer contributions to the Canada pension and Unemployment Insurance Programs, other burdensome government regulations, and the high cost of the Canadian dollar make sales in Canada and abroad next to impossible. What is more, the government is now suggesting a new payroll tax to finance wage protection for employees of bankrupt companies.

The Hudson's Bay Company chief executive officer is quoted as telling U.S. manufacturers that right now tariffs and value added taxes in Canada drive the cost of doing business in Canada 30 per cent higher than the U.S. rates.

Vagden Industries of Trenton, Ontario, a manufacturer of fine hosiery and a client of The Bay writes:

> How in the world are we going to compete?

Does the government not understand the difficulties of this and thousands of other Canadian manufacturers? No new taxes, fairer taxes and recession time assistance programs are vital to the survival of Canadian business. The government must act now.

MIDDLE EAST PEACE CONFERENCE

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, I am sure all members will join me in wishing success to the peace conference on the Middle East which convened in Washington, D. C. yesterday.

After years of turmoil and much suffering there is hope for peace in the region and we commend the parties which are actively participating to achieve this.

• (1410)

Having recently visited the area, I can assure the House there is considerable optimism and hope that the problems of the region can be resolved through dialogue and that a number of issues can be resolved, including a homeland for the Palestinians.

In this regard one recognizes the patient and persistent efforts of U. S. President George Bush and Secretary of State James Baker to initiate and ensure the success of the peace process.

At this season when we reflect on the message of peace on earth, there is no better example than the Washington conference. We welcome the chance for diminishing tensions and confrontations.

* * *

RURAL DIGNITY

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, December 14 is an important anniversary in Canada. Rural Canadians from coast to coast to coast will recognize the determined efforts of the organization Rural Dignity, which has now been alive and fighting for five years.

Rural Dignity is a network of committed people who have rallied around issues such as the closure of rural post offices, cutbacks to VIA Rail and the struggle to maintain viable rural communities.

In the face of tough odds, a government determined to decimate the infrastructure of rural Canada, benign neglect by the big city media and the challenges of isolation, Rural Dignity has won some big victories. These victories are symbolized by the fact that while Canada Post has managed to close 1,200 rural post offices, there are also 1,200 rural post offices still open which Canada Post had planned to close by now.

Rural Dignity is a prime example of the vitality and spirit of grass roots Canada. I am sure all members would want to join me in congratulating the people in Rural Dignity and in wishing them total victory in their fight to revitalize rural Canada.

* * *

DARYL BEAN

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, democratic elected leaders around the world and Canada must set examples of dignity, honesty and civility.

You Canadians who are associated with national women's organizations such as YWCA, National Action Committee on the Status of Women, Elizabeth Fry Society, Disabled Women's Network, National Organization of Immigrant and Visible Minority Women, REAL Women and countless other women's organizations including specifically such women as Shirley Carr and women who lead New Democratic Parties should all demand Daryl Bean's resignation for his despicable leadership.

* * *

SUPPLY MANAGEMENT

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, it appears Canada's supply management system may be in danger of being used as a bargaining chip at the ongoing GATT negotiations.

The replacement of supply management with a system of tariffication would create unfair competition for producers because of the lack of a level playing field.

It would certainly force many dairy, poultry and egg farmers out of business and inflict much hardship in an already struggling Prince Edward Island economy.

Prince Edward Island's agricultural sector accounts for the largest percentage of Gross Provincial Product out of all other provinces except Saskatchewan.

The economic health of Prince Edward Island will be severely threatened should the Government of Canada fail to protect, clarify and strengthen article XI.

I urge the federal government to take every reasonable measure to ensure that supply management in Canada is maintained and enhanced.

* * *

CROATIA

Mr. Ken Monteith (Elgin—Norfolk): Mr. Speaker, yesterday Canadians of Croatian descent demonstrated on Parliament Hill seeking Canada's recognition of Croatia as an independent country.

The Secretary of State for External Affairs has stated four principles must be met before Canada can recognize Croatia. First, the violence must end. Second, minorities must be protected. Third, borders must be established. The fourth point is respect for human rights.

Croatia has passed legislation that will entrench human and minority rights in the Constitution and criminal law. Croatian borders were established before the violence began.

Finally, Croatia is not the aggressor in this situation. I urge the Secretary of State for External Affairs to work with the United Nations in establishing an end to the violence so that Canada can recognize Croatia's independence.

* * *

GATT

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, the importance of food security to a nation puts agricultural policy in a much different position than any other topic now under discussion at GATT.

That explains the Japanese government's staunch defence of its highly protective rice market regime which it considers essential to its national food security system.

Those negotiating for maintenance of our Canadian marketing boards at GATT need to appreciate fully that a nation's food supply is not just another commodity. They should not be swayed by the American attitude toward marketing boards, an attitude which even the Americans themselves admit is their defence against domestic problems and pressures at home.

Without the marketing board system many Canadian farmers will be driven out of business by competition from the giant U.S. agribusiness, thus putting the one area of the agricultural industry in this country at risk.

We have had some stability in that area of farming and we will put that area of farming in a position not unlike that of our grain farmers in western Canada.

* * *

ATTIRE OF MEMBERS

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, it must have been a slow news day at *The Globe and Mail* yesterday. It seems that the powers that be found it newsworthy to report that the Minister of Justice and the Associate Minister of National Defence attended an event in Vancouver wearing the same outfits, distinguishable only by slight variations, mercifully salvaging the ministers from the fashion *faux pas*.

I find it remarkable that this would be commented on at all when male members of Parliament present themselves in monotonous uniformity on a daily basis, and on special occasions they appear somewhat like a bunch of penguins, black tie and all.

Some hon. members: Hear, hear.

Mr. Speaker: I want to say to the hon. member that I am one of the offenders of the monotonously same set of clothes.

* * *

CROSS-BORDER SHOPPING

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, for months I and other opposition colleagues have been pointing out the correlation between the GST and the increase in cross-border shopping.

The government has pooh-poohed everything including the view that this would result in decreased government revenues. All the while the minister was tinkering with customs procedures in order to dispel protests.

Here is what the Auditor General said to the Minister of National Revenue regarding his efforts. First, no analysis was done to assess the effect of express lanes on cross-border shopping and revenue collection. Second, contrary to government claims data for 1990-91 showed an upward trend in cross-border shopping. Third, the congestion at crossing points would increase the risk of compromising enforcement efforts, including revenue collection. Fourth, inadequate border facilities undermine facilitation and enforcement efforts, including revenue collection.

Yet the minister continues to claim that cutbacks in government services and resources will not affect its revenue generation abilities.

I am asking the minister now: Will he admit the error of his assumptions and take appropriate steps to safeguard Canadian revenues and the integrity of the Canadian Customs system?

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CANADIAN BROADCASTING CORPORATION

Mr. René Soetens (Ontario): Mr. Speaker, I rise today out of disgust at what CBC Newsworld thinks is newsworthy.

We have an absolutely desperate situation in Croatia. We have a new Auditor General's report. We have numerous good news events occurring across Canada. We even have a great choir singing in the rotunda of our Parliament Buildings.

But what does CBC Newsworld choose for its program content? The rape trial currently under way in Florida. Rape under any circumstance is despicable. The CBC does not need to sensationalize it. The National News Service of the CBC should be admonished and told to find some good Canadian news on which to concentrate its efforts.

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WHITE RIBBON CAMPAIGN

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, tomorrow is a national day of remembrance and action on violence against women. Many men across Canada, including members of Parliament, have chosen to show their concern and solidarity with women and their desire to end violence against women by wearing a white ribbon this week.

However, military personnel are not allowed to wear a white ribbon on their uniforms. There are many examples of other national days for which accessories are permitted. If the military can wear a leek on St. David's Day and a thistle on St. Andrew's Day, why not a white ribbon this week?

I ask the minister to exercise her good sense and rectify this ludicrous situation today.

ORAL QUESTION PERIOD

[*Translation*]

THE CONSTITUTION

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, yesterday in Calgary the Prime Minister announced, and I was glad to hear it, that he intended to consult Canadians on this country's constitutional future, something we have wanted for a long time. He dismissed the election option, but obviously the other option is a referendum, an option we support. We would like to know from the Acting Prime Minister whether the entire cabinet agrees with the Prime Minister's new position that we should consult Canadians, presumably through some kind of referendum.

Does my friend the Minister of National Health and Welfare agree? Does my friend the President of the Treasury Board agree? Does my friend the Minister of National Defence agree with the Prime Minister on the subject of a Canadian referendum?

• (1420)

[*English*]

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, the position of the government has been quite clear. It was expressed both by the Prime Minister and by my colleague responsible for constitutional affairs.

The government leaves its options open. We are determined to ensure that Canadians are plugged into the process because we recognize that the Constitution belongs to them. We want to do so in a way that is constructive for Canadians, that does not polarize Canadians and pit one region of Canada against another. All options are open in doing that.

The Liberal Party has shut the door. It has said that the only option that is acceptable to it is a referendum. Our goal is to ensure, in consulting with Canadians and ensuring that Canadians feel as if they have had the chance to participate in the remaking of their Constitution, that we do so in ways that are constructive, healing and unifying in Canada.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I am very pleased with the answer of the minister when he said that the Constitution belongs to the people of Canada. There is only one way to have the consent of the people of Canada from all parts of Canada. We want an end to confusion.

Two weeks ago the Minister responsible for Constitutional Affairs was for a referendum. Last week when six Pequistes who are members of the Tory caucus objected, he was against it; he was afraid of it. The Prime Minister was not afraid of it yesterday in Calgary.

We want to know from the Acting Prime Minister when the confusion will stop in this government and when the people of Canada will clearly know that they will be consulted on the future of this country.

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, what a very interesting concept. The Leader of the Opposition says that the only way in which Canadians can express themselves, in which they can be consulted, is through a referendum on the Constitution. That is his present position.

I was a member in 1982 of the special committee on the Constitution. The hon. gentleman was responsible in 1981 for the government's position. If the only way in which we can have legitimacy for constitutional reform is a referendum, why didn't he do it?

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the same minister.

Yesterday, speaking in Calgary, the Prime Minister ruled out the possibility of a general election on the Constitution. He said that the government is considering at least four options.

I want to ask the minister: If one of the four options currently under consideration is a national referendum, why will the government not introduce legislation that would make that possible? Why does it want to hide its intentions from members of Parliament and from the people of Canada?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, far from hiding our intentions from the people of Canada and from Parliament, the government has been abundantly clear in indicating that all options are open.

We have one goal, and that is a united Canada with a renewed Constitution. What we want to do in terms of choosing a methodology to get there is to choose methods of plugging the people in and having them involved which are unifying and which bring Canadians together.

All options are open in doing that. The difference between us and the members of the Liberal Party is that the members of the Liberal Party have only one option.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is for the same minister.

Either a national referendum is one of the four options of the government or it is not. If it is, I would like to ask the minister: Why is the government stalling on introducing legislation to allow for a referendum? If it is not stalling, I want to know why the government is repudiating the promise of the constitutional affairs minister who said that the government would introduce legislation for a national referendum?

I ask the minister to explain what is obviously a real discrepancy.

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, if a discrepancy exists it is in the hon. gentleman's mind.

The government has been abundantly clear and I repeat again: all options are open. What we want to do in all of our efforts on the Constitution is to bring in measures which include Canadians and bind them together instead of pitting region against region, group against group.

If a referendum on the Constitution will be helpful in terms of unifying Canada, we are certainly prepared to consider that. But members of Parliament on all sides of the House have a responsibility to put partisan considerations to one side and put the unity of Canada first.

* * *

GATT

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is for whoever is speaking for the government on trade today.

With the GATT negotiations approaching a panic situation like we saw prior to the acceptance of the Canada–U.S. trade agreement, Canadian consumers, taxpayers and workers in Canada's generic drug industry and in the provincial drug plans are fearful that our negotiators are accepting the U.S. proposals covering intellectual property rights without reservation.

Is the government negotiating for a continuation of our right to produce generic drugs by Canadian companies, or will it be accepting the U.S. proposition that will destroy the generic industry and substantially increase the already $8.5 billion now spent on drugs in Canada each year?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Of course we are not doing that, Mr. Speaker. It would be absolutely ridiculous to do so when we take a look at the reality. Since the government legislated some four years ago patent protection for pharmaceutical companies, that industry has responded with unprecedented R and D activities in Canada into the millions of dollars.

Price rises have also been kept below the Consumer Price Index. The government continues to make it clear that it is committed to making sure that prices are reasonable for consumers. The government continues to take into account the concerns of the brand name and generic drug producers as well as those of consumers. Why would we change such an effective policy?

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I think the minister should review the statistics. Prices have gone up 36 per cent in the last four years, a higher rate of increase than occurred before.

With regard to article XI, has the government submitted to American pressure to move everything to tariffication as reports indicate and as our negotiators report back? Will they give up on supply management farmers that are producing poultry and dairy products now, supplying Canadian consumers with extremely efficient low cost products? Why are negotiators taking an American position at the GATT? Why is tariffication being considered by our negotiating team?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, if I can answer on behalf of the Minister of Agriculture, the tariffication proposals are of course before the MTN, but the Minister of Agriculture and the Minister for International Trade last week in Geneva made very clear our position on article XI and our position on supply management. We continue to stand by that.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, it is pretty clear to observers that our fallback position needs to go to tariffication.

Since the final negotiations are likely to conclude after this Parliament recesses and perhaps before Christmas, will there be any recourse to Parliament on behalf of the government once an agreement or proposal is forthcoming from the GATT? Will Parliament be consulted? Will the provinces be consulted? Or, will anything signed at Geneva be a done deal which will simply come back to a majority House for approval?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, it is clear the hon. member and his party are now unhappy with the GATT. They seem to be unhappy with the MTN. It will be very interesting to see what his party says when a new GATT agreement is brought before the House. Of course Parliament will be consulted. Parliament has always been consulted on multinational questions of trade, tariffs, supply management and will continue to be.

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GOVERNMENT EXPENDITURES

Mr. Jim Peterson (Willowdale): Mr. Speaker, just five weeks ago the cost of this government's prosperity exercise was set at $15 million plus $4.5 million for so-called ads.

Yesterday the industry minister said that the cost was now up over $21 million, plus an amount that he could not even estimate for advertising.

Will the government table today a detailed budget showing all moneys to be spent out of public funds for this prosperity exercise including the full cost of his "let's feel happy" Tory propaganda?

• (1430)

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, my hon. friend likes to read the headlines in the newspaper and stop right there. If he would read the Canadian Press story further, he would have got the answer to the very question that he asked.

I will be very happy to give him the answer. First of all, it is not $21 million for advertising. The expenditures for communication activities which include printing and distribution of discussion papers and other reports, public opinion research and media analysis will be $5.1 million, not $21 million.

[*Translation*]

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, I have a supplementary for the same minister. Where are this government's priorities? It says there is no money for university or industrial research or for export development. Aren't these priorities? Could the minister explain to Canadians how he managed to find an extra $5 million for government propaganda, when he can't even find the money to help Canadians invest in research and develop their export markets?

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, if the hon. member had attended any of the community consultations under the prosperity consultations, he would have seen that there was an unprecedented desire for information across Canada on how we can become more competitive and how we can become more prosperous. That is what this exercise is about and that is why there has to be a limited amount of communications in order to encourage people to get involved in the process.

It is working and it is working very well. When Canadians work together we can take on the world and win. That is our message. We want to involve Canadians in that process, and that is what this program does.

* * *

NATURAL GAS INDUSTRY

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, my question is for the energy minister.

Western Canada's natural gas producers rely on exports to markets in the United States in a very large measure. The California Public Utilities Commission has ordered the largest utility in northern California to dump its long-term contracts with western Canadian gas producers, clearly violating article 905 of the Canada-U.S. Free Trade Agreement.

The Independent Petroleum Association of Canada has asked our National Energy Board to convene a hearing on this matter as quickly as possible. Will the

minister today give a clear undertaking of support for IPAC in this initiative?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I want to remind the hon. member that there was a joint press conference in Calgary two days ago with the minister of energy for Alberta. We also had very close consultations with the minister of energy for the province of British Columbia.

We came forward with a three-part plan, strongly co-ordinated. I am pleased that unlike many experiences of the past the producers, the Government of Canada and the producing provinces are all in agreement on this energy policy. I think that is very important. We have sent a very strong message.

In respect to the National Energy Board the member asked me a very direct question. He would recognize that the CPA has made a second application to the NEB. I as minister am cognizant of my responsibilities, namely that the NEB remain independent. Obviously there are discussions taking place within the NEB on that issue and I will leave it at that point.

I will just make my last point, that the energy consultative mechanism, which is a meeting that takes place twice a year, once in Ottawa and once in Washington, is meeting today and tomorrow here in Ottawa. We have invited California, Alberta and B.C. to that meeting. That meeting is going on right now.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, the minister is not giving an undertaking. He will know that the reaction to the press conference yesterday in Alberta was very negative.

The situation affects not only exports but also pipeline development, transportation upgrading, exploration activities and indeed the future of a vital western Canadian industry.

Will the minister undertake in this House today to initiate as quickly as can be done an appeal to the Canada-U.S. free trade tribunal on this extremely important issue?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member and I have been in this House for some period of time. I understand partisan shots.

Seriously, the hon. member should take a look at what the response from the industry has been to the press conference. It has been positive, in fact as recently as eleven o'clock last night in Calgary when I spoke to them personally.

I mean I don't know where the guy is, except that he just wants to make a point in the House. The point of the matter is—

Mr. Speaker: The hon. member for Windsor—St. Clair.

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NATIONAL RESEARCH COUNCIL

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is directed to the Minister of Industry, Science and Technology or the minister of science and technology or whoever speaks for either of them.

Given the continuing reports of intimidation and retaliation against employees and former employees at NRC who have dared to question the decisions of management, given the retaliation against Chandler Grover for having made a racial discrimination complaint which is under investigation by the RCMP, and given retaliation against the IRAP board for its members having appeared before a committee of this House, is this government not now a bit concerned about the vindictively feudal style of management at NRC and what action does it plan to take?

An hon. member: Daryl Bean will answer that one.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): As my hon. colleague says, Daryl Bean can answer that one, Mr. Speaker.

The hon. member characterizes a board of an arm's length agency as feudal. Therefore he would interfere with an arm's length agency. Arm's length agencies in this country are allowed to run their own affairs. In this particular case the board made its decision about how to handle that program. We respect its right to make that decision.

We would also like to remind my hon. friend that the whole IRAP program and the relationship to it by the NRC will be looked at in the new year. They are putting their house in order so that they can look at it objectively. We as a government stand behind the very effective

program which the IRAP program has been over the years.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, I am sure you noticed, as most of Canada will notice, that Daryl Bean is not on the board of the NRC.

Mr. Speaker, you will have noticed that the council of NRC does not fire employees. It is not the council of NRC against which there is a complaint of racial discrimination. It is not the council of NRC that is under investigation by the Royal Canadian Mounted Police for retaliation.

Again I ask this government: Is it not concerned about the actions of the president that it chose at NRC, and is it not time for it to do something about it?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, it is clear that the NDP approach to any arm's length agency is to interfere in every little piece of minutia. That is the NDP view.

We have an IRAP program that we are very proud of. We want to see it strengthened. We want to see it improved. And the NRC is undertaking to make sure that happens.

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ENVIRONMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is directed to the Acting Prime Minister.

Last year and again this year the Auditor General identified, and I quote: "serious deficiencies in the way federal departments account for their efforts to protect the environment".

Three departments alone spent $120 million on water, energy, paper and then on garbage disposal. Why does the government still refuse to live up to its green plan commitment to be accountable for the environment?

Hon. Pauline Browes (Minister of State (Environment)): Mr. Speaker, we are moving out of the first year of the green plan, a $3 billion commitment over six years to clean up Canada's environment. We have now completed one year.

I think Canadians can be truly proud of what we have been able to accomplish as citizens of Canada to clean up the water, the air and our soil. In terms of the initiatives, some 35 initiatives have been announced of over $1 billion of Canadian taxpayers' money, money well spent.

• (1440)

Mr. Stan Keyes (Hamilton West): Mr. Speaker, my question is for the minister or the deputy if he would care to answer.

The Auditor General has criticized the minister's department for mishandling the clean-up of the Great Lakes, including Hamilton harbour. Specifically he said that the absence of plans and goals constituted: "a lack of due regard in managing Canada's contribution to the Great Lakes Water Quality Agreement".

When will the minister develop specific goals and a timeframe to clean up the Great Lakes?

Hon. Pauline Browes (Minister of State (Environment)): Mr. Speaker, the five lakes that constitute the Great Lakes are probably one of the most magnificent resources Canada has. I think all of us understand the problems we have had over many years with the amount of chemicals that have been put into the Great Lakes.

Some $125 million have been set aside for the Great Lakes clean-up. We have 17 hot spots on the Canadian side, and we are now working on the remedial action plans that have been set up of consultation with the communities in order that the communities can identify the problems and the solutions.

We are very pleased with how some of those RAPs have been constituted and moved ahead. Some of them definitely need further work and we look forward to completing those RAPs.

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ACOA

Ms. Mary Clancy (Halifax): Mr. Speaker, in the absence of the minister responsible for ACOA, I will put my question to the minister of employment.

Yesterday a spokesman for ACOA said that they were reviewing their procedures in light of the Auditor General's report. Would the minister of employment tell this House today what his government is doing to ensure that these procedures, perhaps for the first time in this government's history, start acting to the benefit of Atlantic Canadians?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I take it that the hon. member is suggesting that the expenditures of the Atlantic Canada Opportunities Agency is not serving Atlantic Canada. If that is her position, let her tell that to the thousands of business people in Atlantic Canada who see ACOA as an important tool of economic development.

Of course we are living in a very imperfect world. I think ACOA officials acknowledged yesterday that the system had to be improved as per the recommendations of the Auditor General, and they will do so accordingly.

Ms. Mary Clancy (Halifax): Mr. Speaker, yes, it is a very imperfect world. It is pretty imperfect in Atlantic Canada where the region is not getting the advantages under regional development programs that it so richly deserves.

Consequently I ask this minister whether his government will order ACOA officials to meet as soon as possible with officials in the city of Halifax and the county of Halifax where social assistance rates are going through the ceiling to put together some form of economic recovery plan so that the people of Halifax can see some future, some light at the end of the tunnel.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I think the experience of the Atlantic Canada Opportunities Agency has always been to consult and work with the people of Atlantic Canada. The people of Halifax have not been treated any differently.

Ms. Clancy: No, we have all been treated badly.

Mr. Valcourt: Of course the political position of the hon. member is important to her. I think that Atlantic Canadians know that the programs of the Atlantic Canada Opportunities Agency are serving Atlantic Canada well.

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INDONESIA

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

Three weeks ago, following the massacre of over 100 innocent civilians mourning at a funeral in East Timor, the minister promised to review Canada's policy on aid to Indonesia.

Will the minister now advise the House when this government will not only suspend government to government non-humanitarian aid to Indonesia but will also impose a total embargo on the sale of arms to the repressive Indonesian government?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, our review of aid to Indonesia is just about complete. I have had a preliminary report on it and I will be reporting publicly, probably next week.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I asked the minister about an arms embargo as well and I trust she will deal with that in her response to my supplementary question to the same minister.

December 7 marks the 16th anniversary of the Indonesian invasion of East Timor and in those 16 genocidal years over 200,000 people have died.

Will the minister now drop her insistence that Indonesian sovereignty over East Timor is a *fait accompli*. Instead, will this minister clearly support UN Security Council resolutions 384 and 389 condemning the invasion and unequivocally reaffirming the self-determination of the people of East Timor? Will she act on behalf of the people of East Timor?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, we have acted on behalf of the people of East Timor first of all because I raised this personally within hours with the Indonesian foreign minister. We are reviewing our aid program. Our ambassador in Jakarta has been very active herself in investigating the situation in East Timor. I am looking at reports from her in my aid review.

We will do everything we can to bring an end to the violence..

[*Translation*]

SOLICITOR GENERAL

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, my question is directed to the Solicitor General. Recent events and today's reports in the media have proved beyond a doubt that the Canadian Security Information Service was right to fear the increasing influence of the Warriors, who don't want the RCMP or the QPP around so they can go about their illegal business and smuggle goods without further ado.

Could the minister confirm that he had a meeting last Sunday with his provincial counterpart, Mr. Ryan, and could he tell the House what they intend to do about the current explosive situation in this region?

[*English*]

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I know that my colleague has an interest in this matter and is doing her best to represent her constituents. I can assure her and the House that the government places a very high priority on trying to find a peaceful solution.

Last Sunday I met with Mr. Ryan and we discussed the matter. I was on the phone with him this morning. I believe that we are making progress. We believe that continued discussions and negotiations are the only way to do it. I would hope that we can report something in the very near future.

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ROUGE VALLEY PARK

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, my question is for the Minister of State for the Environment.

It has been over two years since this government promised $10 million to help in the establishment of an urban park in the Rouge Valley which is on the east of metro.

I would like to ask the minister: Why the delay? Why the hold-up? Who is dragging their feet? This is a very important project on a national basis. I would like the minister's comments. Can we get this solved?

Hon. Pauline Browes (Minister of State (Environment)): Mr. Speaker, the interest, the commitment and the work by the hon. member and other members in the House are really to be commended on this magnificent Rouge area to be saved as a park.

The advisory committee that was established and constituted by the province of Ontario—and the federal government is a member—has put forth a management plan. The first report I have in hand here today. This is a comprehensive and an envisionary document. The first public meeting on this is scheduled for tonight.

I would like to say the final report is expected in the spring of 1992. The Federal Historic Sites and Momuments Board is also looking at the archaeological aspects of the Rouge, and indeed the $10 million federal commitment stands ready to be set forth as soon as this park is established as the largest urban park in North America.

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[*Translation*]

TAXATION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, this government has a healthy appetite for our tax money. It has levied a total of 33 tax increases since it was elected. It has added a tax on unemployment, on pension funds, a proposed tax on bankruptcies, and now another tax on cable. Enough is enough. When will the government take its hands out of our pockets, and when will the minister say no to a tax levy on cable?

[*English*]

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, my hon. friend may have missed the news, but several weeks ago the government announced that it was providing direct funding to the CBC without looking to a levy on cable in order to raise the funds for that.

It is a very interesting proposition that the hon. member raises. She is absolutely right that Canadians do feel as if they are paying too many taxes. That is why it is incumbent on members on all sides of the House, when they make suggestions for new spending, to explain precisely where the money would come from.

• (1450)

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the taxpayers have had quite enough of your mismanagement, thank you very much.

Some hon. members: Hear, hear.

Mrs. Finestone: Telecommunications and broadcasting ought to be players in this government's prosperity agenda. Landmark telecommunications decisions and key broadcast hearings are being delayed by this government's ongoing poor management. Business opportunities are being missed because this government has left over half the seats or almost half the seats at the CRTC empty.

Could the minister please tell us what is holding up these nominations while the work plans of these major institutions of this country are being put on hold?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, the government is continuing to make nominations to all government boards and commissions, certainly to the CRTC and other bodies as well.

When the hon. member raises the importance of for example the broadcasting industry in Canada, she should be aware of the fact that on Monday and Tuesday of next week in Montreal I will be convening the first ever summit on television broadcasting in Canada. I will be working together with representatives of all sides of the industry, with the CRTC, with the public broadcasters and others in order to do what we can to ensure the health of the Canadian broadcasting industry.

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CANADA POST

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Acting Prime Minister.

Canada Post is saying that in spite of the announced investigation of the Minister of National Revenue yesterday it will continue its policy to encourage employees to work overtime using someone else's name and social insurance number against the laws of Canada.

I ask the minister: When the government will put its foot down and tell Canada Post to obey the law like everyone else?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I have looked into this thing in detail. The investigation, as the hon. member knows, continues both by Revenue Canada and Canada Post in co-ordination and co-operation.

However, I would like to take this opportunity to correct the hon. member's alleged misinformation on this matter because Canada Post—

An hon. member: Alleged misinformation?

Mr. Jelinek: English is not my mother tongue, Mr. Speaker.

Some hon. members: Oh, oh.

Mr. Jelinek: Canada Post policy is to contract out only to contractors or owner-drivers and not their employees. That is the policy of Canada Post. Therefore when there are statements by Canada Post officials saying that there will be no change in policy, it is because the policy does not condone the type of things that the hon. member is representing in the House today.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the minister has missed the whole point. Canada Post officials have been instructing their employees to do this.

[*Translation*]

Mr. Speaker, will the minister take action today, under section 49 of the Financial Administration Act or before the courts, to obtain an injunction and force the Canada Post Corporation to obey the law? At this very moment, Canada Post employees are being told to use someone else's social insurance number, and that is illegal.

[*English*]

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the hon. member is exaggerating. After having talked to Don Lander this morning, I can assure this House and Canadians that Canada Post is not advising its employees in the way the hon. member is suggesting, not at all.

It does not condone that practice. It is co-operating. He is pointing to *The Toronto Star*, Mr. Speaker. I am not quite sure what that means. I am telling him the facts. The facts as presented by the hon. member on this floor today are wrong, wrong, wrong.

I have every confidence in Canada Post, that it is doing everything according to its policy in a legal and proper fashion.

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CANADIAN BROADCASTING CORPORATION

Mr. René Soetens (Ontario): Mr. Speaker, this week there is a positive awareness campaign concerning violence against women, yet at the same time CBC Newsworld carries live coverage of a rape trial in Florida.

My question is for the Minister of Communications. In light of the fact that we have an excellent constitution committee meeting going on right now, today in Ottawa, would he instruct the CBC to carry that program rather than the rape trial in Florida?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, I am sure there are times when all of us in the House of Commons would like to write the scripts for CBC or to suggest what it might cover and what it might not cover. The government complies with the principle of an arm's length relationship between the corporation and the government.

I know members of the CBC watch with Question Period fascination each day and will be aware of the hon. member's concerns.

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CANADIAN NATIONAL RAILWAYS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of State for Transport.

Yesterday in the House, in response to a question I put regarding a CN plan to reroute traffic through the U.S., the minister said:

> CN has already advised the port officials at Thunder Bay that it has no plans to do this so there is no need for me to order it.

Today we find out that CN has a new subsidiary headquartered in Detroit, Michigan called CN North America with full intentions of maximizing the use of the three railways it owns in the United States.

Has the minister used the authority she has under section 89(1) of the Financial Administration Act to order CN not to use this set-up to move Canadian goods from one part of Canada to another part of Canada via the United States? Has she done that?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, the question raised yesterday was about the shipping of grain through the U.S. rather than through Canada. That was what the port manager had been advised that CN was not going to do.

As far as the new company that CN has formed, CN is a corporation that has a mandate to provide service to shippers in Canada, that is to enable them to ship goods into the U.S. as we have a much larger market there than we ever had before under the free trade agreement.

That is what they are going to be doing with shipping by Canadians into the U.S.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a supplementary question.

I want to remind the minister that my question yesterday dealt with grain, potash and other commodities. We see today in the Thunder Bay *Times News* the minister is quoted as saying: "CN has to look to the future and plan to be a viable rail link in this country. If some of that happens to go through the U.S. that might be one of the decisions that they make".

I want to go back to the minister. Will she use her powers to make sure that CN does not divert any traffic or any repair work into or through the United States? Will she use her power to protect Canadian jobs, Canadian communities and the seaway?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, if we are going to serve the market in the U.S. we are going to have to ship into the U.S. I prefer that done by a Canadian carrier rather than an American carrier.

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TRADE

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the acting minister of trade.

My question arises out of a panel discussion this morning on the consequences of North American free trade between representatives of the three countries that are involved.

Will the minister assure this House that Canadian jobs will not be lost or put into jeopardy under the agreement

because either of the other two countries, that is to say Mexico or the United States, do not enforce environmental standards that are as high as ours?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, of course the American situation differs from region to region. I would suggest that the hon. member look at that carefully and also look at the plans that Mexico has put in place.

In terms of his general suggestion about the panel conference this morning, the truth is that we are going to negotiate an arrangement with the United States and Mexico which will protect our industries and will help to remove our Mexican tariffs against Canada which right now are much higher than our tariffs against theirs.

It is also very important for us on the environmental front to have Mexico in a NAFTA context in which we can have further influence on environmental standards.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, I am afraid the minister is a little mixed up. It was a Liberal panel conference.

Let me ask a supplementary question. Let it be noted that the minister did not respond to the question and that he did not say Canadian jobs would not be lost.

Will the minister assure us that under the agreement the Canadian ability to protect the Canadian environment will not be jeopardized in any way, shape or form? Quite specifically, will the minister assure this House that attempts to protect the environment will not be deemed a restraint in trade?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, not only is the answer yes to his request but, what is more, we are going to open a context for selling Canadian environmental technologies into Mexico.

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• (1500)

CANADIAN NATIONAL RAILWAYS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of State for Transport.

Here we have a government that just finished undermining passenger rail by gutting VIA Rail. Now it is prepared to undermine the whole industry of cargo trade via the rails.

How can this minister permit a Crown corporation to short-haul east or west through the United States rail lines? Will the minister do the honourable thing, put a stop to it, use Canadian lines and urge the issuance of Canadian jobs rather than help her friends in America all the time?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, this government made a very conscious decision as far as VIA Rail is concerned to ensure that taxpayers' money was used properly.

When it comes to the shipping of goods, the new company that CN has formed is to go after new business, not to change existing business, within the U.S. in order to ship Canadians goods into the U.S. market.

Mr. Sergio Marchi (York West): Mr. Speaker, I return again to the minister who seems to be condoning the creation of jobs in the United States, the multiplier in the United States, and supporting American rail lines at the detriment of Canadian lines, Canadian jobs and Canadian workers.

On behalf of Canadians I ask minister and her government to put Canada first, to put our priority first. Will she put an end to this? It is not hauling south, but it is a short haul east and west via the United States of America.

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, this government is putting Canada first by making sure that we have a strong national railway that can compete on the North American continent, not just on the Canadian part of the continent. A strong Canadian railway will mean future jobs in Canada.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I have a question for the Minister of State for Transport.

The questions have been about the transportation of Canadian goods to Canadian destinations along American lines, not about Canadian goods into American markets.

I ask the minister: At what point would the government refuse to accept a complete marginalization of the

Canadian transportation system, particularly as it exists through Manitoba and Ontario?

Is there no point at which the public interest or the national interest would prevail over the marketplace?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, the public and national interests are both best served by a strong national Canadian railway.

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POINTS OF ORDER

TABLING OF DOCUMENT

Hon. Pauline Browes (Minister of State (Environment)): Mr. Speaker, as a result of a question from the member for Markham—Whitchurch—Stouffville, I would like to table a document that I referred to.

This document is called *Rouge Valley Park Planning Project: Phase I Report, Background, Principles and Options.* This summary of the report is filed in both official languages.

CORRECTION OF COMMENTS

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): On a brief point of order, Mr. Speaker, I would like to correct some information provided to the House yesterday, December 4, as reported at page 5773 of *Hansard*.

The Minister of the Environment properly indicated to the House that there would be a net reduction of 600,000 tonnes of organo-chlorines by the end of year 1993, but he should have indicated that would be from 1988 levels rather than from 1980 levels.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, in the absence of the government House leader, perhaps I could direct my question to the acting House leader and see if he could provide to the House what the business will be for the remainder of today,

Friday, Monday and all next week including Thursday and Friday and if need be on Saturday.

[*Translation*]

Hon. Pierre H. Cadieux (Minister of State (Youth), Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): It will be a pleasure, Madam Speaker, to try and respond to the hon. member's customary question. As far as today is concerned, this afternoon we will call the financial institution bills on third reading: C-4, C-19, C-28 and C-34.

Tomorrow, Madam Speaker, we hope to continue and complete the debate on third reading of these bills. We also wish to complete report stage and third reading of Bill C-5, which deals with the Aeronautics Act.

On Monday, December 9, we will call Bill C-32, the Canada Assistance Plan, for debate at the report stage, and possibly for debate on third reading, Madam Speaker.

Tuesday will be the last allotted day.

On Wednesday, we will call Bill C-38, the privatization of Telesat, for debate at the report stage, and we hope to finish both report stage and third reading the same day.

As for Thursday, Friday, Saturday and, if need be, Sunday, Madam Speaker, the usual discussions will proceed.

[*English*]

Mr. Dingwall: Madam Speaker, I am wondering if the minister could perhaps check with the parliamentary secretary to the government House leader. It was my understanding that since Tuesday is an allotted day, on Monday we would be just commencing on Bill C-32. On Friday, it was my understanding that we would be proceeding with report and third reading of Bill C-5 and thereafter in the afternoon we had hoped to be able to proceed with a concurrence motion of my colleague for Ottawa—Vanier with regard to the second report.

I am wondering if perhaps the minister, who has now had an opportunity, could clarify that. I think it is just the renaming of certain bills from 32 to 38 and perhaps he could change that.

[*Translation*]

Mr. Cadieux: Madam Speaker, something may have been lost in the translation, but the numbers I gave were correct.

[*English*]

With respect to the concurrence motion, obviously if time remains on Friday we will deal with it.

Mr. Dingwall: Madam Speaker, since that has been clarified or is clear as mud, I want to indicate to the deputy House leader that there were discussions, as I am sure he is aware, with regard to the financial package. We would be prepared on this side to extend the hours this evening to complete that legislation in order to proceed on Friday with both Bill C–5 and with the concurrence motion of my colleague, the member for Ottawa—Vanier, with regard to the second report of the public accounts.

[*Translation*]

Mr. Cadieux: Madam Speaker, I hope the hon. member was not referring to the translation when he said it was clear as mud, because it was quite the opposite.

As for extending the hours this evening, we have no objection in principle. Appropriately, there should some discussion about the evenings proceedings.

Madam Deputy Speaker: I think it is an excellent idea to have the usual discussion and then have someone advise the House so we will know exactly how to proceed for the remainder of the day.

GOVERNMENT ORDERS

[*English*]

TRUST AND LOAN COMPANIES

MEASURE TO ENACT

The House resumed from Wednesday, November 27, consideration of the motion of Mr. Loiselle that Bill C–4, an act to revise and amend the law governing federal trust and loan companies and to provide for related and consequential matters, be read the third time and passed.

BANK ACT

MEASURE TO ENACT

The House resumed from Wednesday, November 27, consideration of the motion of Mr. Mazankowski that Bill C–19, an act respecting banks and banking, be read the third time and passed.

INSURANCE COMPANIES ACT

MEASURE TO ENACT

The House resumed from Wednesday, November 27, consideration of the motion of Mr. Loiselle that Bill C–28, an act respecting insurance companies and fraternal benefit societies, be read the third time and passed.

CO–OPERATIVE CREDIT ASSOCIATIONS ACT

MEASURE TO AMEND

The House resumed from Wednesday, November 27, consideration of the motion of Mr. Loiselle that Bill C–34, an act to revise and amend the law governing co–operative credit associations and to provide for related and consequential matters, be read the third time and passed.

Ms. Catherine Callbeck (Malpeque): Madam Speaker, it is certainly a pleasure to rise today and speak on the financial institution legislation.

We are debating four bills: the Bank Act, trust and loan legislation, insurance, and the co–operative legislation.

Last week we spent three days debating the many amendments to these pieces of legislation and today I am pleased to have the opportunity to take part in third reading. This has been a very long process. We have spent over a year studying the government proposals. Many of them have been complicated and technical in nature, but it is extremely important legislation.

• (1510)

In fact, experts have called this legislation the largest single reform to financial institutions in Canadian history.

During this entire process, and as I said, Madam Speaker, it certainly has been a long process, the Liberal members of the finance committee studying the bills have had several objectives.

First, we wanted to be sure that we were going to better serve consumers. We wanted to be sure that once this legislation was passed that the depositors, policyholders, all the users of financial institutions would be better served by this new legislation.

Our second objective was to ensure that we would have sound and safe financial institutions. Certainly we are all aware of what has been happening south of the border, and there is no way that we want to see this ever occur in Canada.

Our third objective was to ensure that financial institutions would become more competitive internationally, which is extremely important in this day and age.

As I indicated, the process certainly was very long and detailed. But that is to be expected when you are studying four bills that contain more than 2,400 clauses and over 1,300 pages. Since we began the trust and loan legislation study which started last October, we have heard over 100 witnesses.

Witnesses came from all sectors. We had consumers who were concerned about various aspects of the legislation. We had academics who had studied in great detail various parts of the legislation. We had regulators, bankers, insurance people, representatives from co-operatives, as well as trust representatives.

They pointed out to us the pros and cons of various issues that this legislation dealt with and over all they helped to make this legislation that we have before us today stronger legislation. I want to take the opportunity, Madam Speaker, to thank all the people who took the time to come before the committee and present their views, and also the people who sent letters, briefs, and other material which helped us in studying the four pieces of legislation that we have before us this afternoon.

Let me say at the outset that I believe that the members of the committee tried their best. I honestly believe that we all made a sincere effort to come up with the best legislation under the circumstances.

I know at times that the committee chairman, the hon. member from Mississauga, certainly tried to move faster than we would have liked and that is sort of ironic because the government has really been dragging its feet for many years in this whole area of financial institution reform.

Nevertheless, we Liberal members on the committee tried our best to co-operate with the government and to pass this much-needed legislation while at the same time meeting our objectives.

We had, as I mentioned earlier, basically three objectives.

We wanted this legislation to better serve consumers. We wanted to be sure we are providing for safe and sound financial institutions. Also, we wanted to be sure that our financial institutions are going to be able to compete better internationally.

We believe we struck a balance between these three objectives. That is why we are supporting the legislation today. These new bank, trust and loan, insurance and co-operative bills represent a major improvement over the old legislation.

In some cases we are talking about legislation that has not been updated for decades. The Trust and Loan Companies Act, for example, has really not been substantially revised since it was brought in by Mackenzie King approximately 60 years ago. A lot has happened in the field of financial legislation in that 60 years. What we have had really are outdated laws. This has imposed significant burdens on companies and on institutions trying to meet the modern marketplace.

To look at an example, the Trust Act that trust companies are operating under at the present time requires that 93 per cent of their lending activity must be in mortgages. By confining the trust companies to this whole mortgage area, the old act may have put their safety at risk because a value of a mortgage asset can change dramatically with the price swings in real estate.

That left only 7 per cent of the trust company's investment for consumer and commercial loans. Under the new legislation that we have before us today, that stipulation will be removed, giving the trust and insurance companies a wider range of options, enabling them to better meet the demands of the marketplace.

This afternoon I am going to confine my remarks to the Bank Act, the Trust and Loan Companies Act and the Insurance Act because my colleague from Moncton, who is the critic for co-operatives, will deal with Bill C-34, the co-operative legislation.

One of the major items contained in the three bills is the natural person powers. In other words, banks, insurance and trust companies will be able to do anything in their line of business that is not clearly prohibited by legislation.

That certainly is a switch from what we have under the present legislation. What this means is that they will be able to do anything in their line of business unless it is stipulated in legislation that they cannot do it.

For example, in the trust and loan legislation, there are 11 business powers that trust companies will not be able to have. One of those is the ability to retail all types of insurance.

Another important element in the new legislation is to protect in a better way the soundness of financial institutions in Canada. For example, these institutions will be required to have one-third of their directors who are unaffiliated with the company.

The question is what is affiliated and what is not affiliated. As far as the legislation is concerned, the act says that a director is affiliated if he or she is an officer, an employee or a major customer of the institution.

What that really means is that one-third of the directors of financial institutions from now on cannot be an officer, an employee or a major customer.

• (1520)

Also, to continue talking about making institutions safer and more sound, it will be necessary to have procedures dealing with conflict of interests. Two more committees will have to be established: an audit committee and a conduct review committee.

It will be the job of the audit committee to deal with any problems the Auditor General points out in his report. The conduct review committee will review possible self-dealing situations.

That is a situation in which a director of a company may use his influence on the institution in a way that would benefit him personally.

All these measures which I have mentioned will make financial institutions more sound and safer for the Canadian public.

There is another new aspect to this legislation. There is a whole new ownership regime. Under this legislation banks, insurance and trust companies will be able to own one another. As well, they will all be able to own corporations within the financial services family.

This legislation will also give trust companies and insurance companies full commercial and consumer lending powers. Trust companies will no longer be restricted as they were under under the old legislation, under which they could only put 7 per cent of their lending into consumer and commercial loans. As well, insurance companies will be able to lend money not only to policy holders but to the general public.

Those are some of the changes that will come about under this new legislation. There are some aspects of the old legislation that will not be changed. One is that banks and trust companies will not be able to sell all types of insurance.

There are many important elements in this legislation. As I said, some of it is new and some of it is simply carried over from the old legislation.

The most controversial issue which the committee had to deal with was the retailing of insurance by banks and trust companies. I do not think that any other issue produced more studies, more phone calls, more meetings or more debate in the committee room. We in the Liberal Party heard arguments from various groups and individuals on both sides of the issue. We heard arguments that banks should be able to sell insurance because it would be cheaper and more convenient for the customer. We were told there would be no risk of tied selling. That happens when a bank tries to pressure a customer into buying insurance from that bank by threatening to deny him the mortgage.

We were told that around the world, and even in parts of Canada, deposit taking institutions sell insurance with no consumer problems and at very competitive prices.

On the other side of the coin, we also heard many arguments that banks should not be able to sell insurance. First, we were told there is no evidence that banks could sell life insurance any cheaper than the insurance companies are doing now. I mean over the long term. It is argued that maybe in the short term banks may undercut the prices of insurance companies to gain market share. That would mean that the consumer could benefit in the short run.

However, in the long term, which is what we really must be concerned about, it is still far from certain that banks would offer life insurance at super competitive prices.

We heard a lot of contradictory evidence on this whole issue. For example, in 1989 the Public Interest Research Centre did a study claiming that if banks sold insurance consumers would save millions of dollars. However, in 1991, this year, there was a study completed by Eckler Partners discrediting that previous study.

That is what I mean by saying that there was a lot of contradictory evidence to sort through to make decisions.

We also heard a lot of arguments that the banks would provide very unfair competition. That is because of the size of the banks. With assets of $126 billion, one bank, the Royal Bank, would be larger than the total insurance industry in Canada. Together the six major banks account for almost 90 per cent of the $584 billion in Canadian banking assets.

Therefore, it has been argued that there is a possibility of very unequal competition between the banks and the insurance companies simply because of the size of the assets of the six chartered banks.

It is possible that if the banks and trust companies sold insurance we might have a short but very intense battle between the huge chartered banks and the smaller life insurance companies. We could have massive dislocations in the insurance industry, which is made up of 170 companies and 35,000 agents.

Possibly a lot of insurance people could lose their jobs and a very successful Canadian insurance industry, which serves both rural and urban Canadians, would be permanently damaged by such a battle between unequals.

There is also some evidence to suggest that there could be some tied selling, which I described earlier. A survey in the United States by the insurance industry indicated that regulators found significant evidence of tied selling there. Therefore, you might ask: "Well, does that mean that it would happen in Canada?" Not necessarily, but it is certainly one of the arguments or factors we had to consider very seriously.

As I indicated earlier we heard a lot of conflicting views on whether banks and trust companies should be able to sell all types of insurance. We have studied this in great detail and given the potential enormous cost to the insurance industry. We in the Liberal Party have decided that banks and trust companies should not be able to sell all types of insurance.

Another issue that took up a lot of time in committee and which we examined in detail concerned the kind of foreign institutions that should be able to own Canadian Schedule II banks. This new Bank Act before us today adds financial institutions to the list of those which can apply for a Canadian Schedule II bank. That is really the same as it is in Canada.

• (1530)

We think that it is fair that foreign financial institutions should be able to apply for a Schedule II bank as long as we have confidence in the quality of the applicants.

The first draft that the government presented to the committee said that anyone in the business of financial services should be able to apply for a Schedule II bank. We had concerns about that and there was a lot of concern expressed about the potential destabilizing effects of the entry of unregulated companies like General Electric Finance Corporation and others. That could create a serious problem in Canada.

The original draft of this section was also very vague. As I said, anyone in the business of financial services could apply in Canada to become a bank. We felt that this left the door open for a whole host of undesirable applicants and that it would possibly undermine the soundness and safety of financial institutions in Canada.

As I mentioned earlier, that was a main objective that we in the Liberal Party kept in mind when we were reviewing this legislation. Foreign non-banks like GE Finance do many things that Canadian banks do. They raise money by making short-term loans known as commercial paper. This sounds like banking even though these institutions are unregulated and they are commercially linked. If they came into Canada they would obviously be regulated.

However, the question of allowing such commercially linked companies into Canada raises concerns about the fairness to Canadian banks and about the soundness of the Canadian financial industry.

One can therefore legitimately ask whether the government was putting our banks at a disadvantage with its original draft of the Bank Act. The new draft and the new legislation before us today restrict the applicants to foreign banks and foreign financial institutions. That includes co-operatives, trust companies, insurance companies, and security dealers.

The act goes further. It also requires that the Superintendent of Financial Institutions must satisfy himself about the adequacy of the foreign applicant. In other words, the superintendent has many questions to pose to anyone who wants to come into Canada and set up a Schedule II bank. That superintendent must find that the applicant responded to those questions satisfactorily and that the applicant will enhance financial institutions in Canada.

This new foreign bank section is the result of a compromise hammered out in the finance committee. It is not a compromise that was satisfactory to everyone. However it does express the concerns that were expressed and is a typical example of the give and take required in making workable legislation.

I know there are those who still argue that only banks should be allowed to apply for a Schedule II bank licence. They talk about the Bank of Credit and Commerce Canada and this year's scandal as a reason this whole area should be tightened up. It is a misleading example because the Bank of Credit and Commerce Canada would fit the criteria of being a bank and being regulated. It is really not an example that makes any sense whatsoever in this argument.

The Superintendent of Financial Institutions feels that this legislation we have before us today as far as the foreign applicants applying for a licence for Schedule II banks does not present a danger to the soundness of the Canadian financial institutions.

As I mentioned before, that was one of the major objectives of the members of the Liberal Party when we were studying this legislation.

A third important area I want to mention briefly here today is consumer issues. That was a main objective. We wanted to be sure that this legislation would help consumers and improve services to consumers from financial institutions. Of course, our party was extremely pleased when an amendment was passed in committee and eventually included in the bank and insurance bills as well.

Our amendment was to give customers the legal right to place complaints to financial institutions if there were charge fees they felt were extremely too high. There is going to be a mechanism there. First, they can go to the institution where they borrowed the money or whatever the fee happened to be for. If they do not get satisfaction there, they can go right to the top to the Superintendent of Financial Institutions.

In the annual report, the superintendent has to have a section on these complaints. That will have the number and types of complaints and how they have been dealt with.

As I said, we were extremely pleased that our amendment was passed in committee. We feel this will be very beneficial for consumers.

I want to mention a couple of other amendments. Another amendment we proposed last week when we were discussing this legislation in this House was an amendment dealing with the flow of information to auditors. I am happy to say that all members of the House saw fit to support this amendment. This is one which will go a long way toward helping produce better statements and will probably keep our financial institutions on a more sound basis.

It really prevents lawsuits against anyone who gives information in good faith to an auditor of a financial institution. We feel that protection is important. That information may go a long way toward providing more correct or more accurate financial statements.

In the failures of the two western banks that we had in 1985 and this year's failure of Standard Trust, the questionable accounting practices were in part blamed for these failures. In fact, the Superintendent of Financial Institutions told the finance committee last November that approved accounting practices might have made a difference in Standard Trust.

Here is what this amendment which we put forward really means. Consider an employee, for example, of a trust company who has information that he knows the auditor really needs to perform an accurate audit. The employee knows there is no way the trust company is going to give the auditor that information.

• (1540)

Under the present circumstances he might be reluctant to come forward because he would be afraid of a lawsuit.

With this amendment, that employee can come forward and give the information without any fear of being sued. I think that this amendment will result in a better audit. It could mean better financial statements and a better chance also for the superintendent to catch small problems. If they are not caught at the beginning, these could mushroom into huge problems and might eventually in the end cause a bankruptcy in that institution.

Another amendment that we in the Liberal Party propose is what you call a plain language amendment. We are extremely disappointed that the government did not see fit to support us in this amendment. It would require trust companies and other financial institutions to put into plain language various documents signed by customers.

I think it is extremely important that customers understand what they are signing. I know that we have all seen documents whether they are from an insurance company or a trust company or a bank that generally are very difficult to read. They have small print and very long sentences and they also have a lot of legal jargon in them.

This amendment that I proposed and which the government defeated involved using shorter sentences and everyday words. It was to make the document as easy to follow as possible.

I want to acknowledge though that certainly there has been some progress in this whole area. The financial institution industry itself has looked at this. It realizes that a lot of its documents are difficult. It is practically impossible for the average person to understand some of them.

There has been a trend by the financial industry itself to put a lot of its documents into plain, everyday language and I certainly commend them for this.

When I brought this up last week the member for Mississauga said that it was too difficult to do. This has been done. In the United States there are 10 states that have passed this legislation. New York was the first in 1978 and the results have been very impressive.

We also have a province in Canada that has passed this legislation. Alberta put plain language into law in 1990. It was an amendment that was reasonable because it gave the insurance companies and the trust companies and the banks two years to get these documents into everyday language.

Also it was not for everybody. This plain language amendment did not apply to large customers who would be borrowing over $250,000. As I mentioned, the government did not see fit to support it. It said it was too difficult. That is not an answer. That is an answer, but it is not a proper answer because this has already been done. It has already been accomplished in 10 states and one province.

I think it would go a long way toward improving the services of financial institutions to consumers. I was very displeased that the government would not support this amendment. I think it is an amendment which would help immensely consumers of financial institutions.

In looking over all at this legislation the banks, the trusts and the insurance people tell us that generally they are pleased with the content of the new legislation. We certainly feel that the consumer is going to benefit in many ways. As I said, that was one of our main objectives. We wanted consumers to benefit and we are confident they will.

The industries have said they are generally happy. They want to end the wrangling over specific powers and they want to get on with it. That is exactly what we in the Liberal Party are prepared to do.

There will be a five-year review of these bills. At that time there will be a lot of issues that will have to be revisited. These are issues that we were unable to resolve to the satisfaction of people concerned during our year's study of this whole area of financial institutions.

That review is extremely important. The whole financial institution industry is moving so quickly. We proposed in committee that that review should take place in three years but the government turned it down. As I said it will be five years as is in the legislation that we are giving third reading today.

One issue that no doubt will take a lot of debate the next time around, as it did this time, is whether banks and trust companies should sell insurance. Certainly I want to note that the world is changing in this area. If we look at Europe in 1995 I understand that banks will control about 20 per cent of the life insurance market. In Spain banks are said to distribute 74 per cent of the life and pension types of insurance. That is a whole issue which I am sure the committee will spend a great deal of time on five years down the road.

Another important issue that I want to talk about for a couple of minutes today is one with which we have to deal. It is the harmonization of provincial and federal rules for trust and insurance companies. Unlike banks, which are federally regulated, trust and insurance companies are regulated both federally and provincially. In some cases that means 11 different sets of rules.

That is a lot of rules. It is very costly and time consuming and in the end who really pays the cost? It is the user of the financial institution, whether it is the insurance company or whether it is the trust company.

I know that you told me that I only have one more minute. I would just like to sum up my remarks that today we are in third reading of this bill and the final phase of the role of the House of Commons in what experts are calling the largest single reform of financial institutions ever to take place in Canadian history.

I am pleased to support the legislation because we feel it meets our objectives. It is going to be better as far as customers are concerned. It is going to ensure sound and safer financial institutions. It is going to make Canadian financial institutions more competitive internationally.

I want to remind the government of one thing. Our financial institutions cannot achieve their international potential until the government succeeds in harmonizing their regulations at home.

• (1550)

I encourage the government to take action and I have been encouraging the minister for the past year to do this. I encourage him now that this legislation is going to be passed to get on with the job because really he has no excuse now that these four bills have gone before committee, have been scrutinized, and the legislation has come to the House of Commons to be passed. Once this goes through the Senate and becomes law, I encourage the minister to get on with the job of harmonizing the rules in Canada.

Mr. Rodriguez: I rise on a point of order, Madam Speaker.

My colleague from the Liberal Party from the riding of Moncton asked if he could, since he has to leave at 4.15, go ahead of me for 10 minutes and I have agreed to that in order to facilitate him.

Madam Deputy Speaker: I thank the hon. member. I had not been made aware of that arrangement. I am delighted to recognize the hon. member for Moncton.

Mr. George S. Rideout (Moncton): Madam Speaker, we were busy negotiating as the member for Malpeque was concluding her address, so that is why we did not have a chance to consult with you beforehand.

It is a pleasure to speak to this particular bill and to have been part of the process. I want to start first by complimenting the member for Malpeque, our official critic for financial institutions, for doing an absolutely fantastic job. As can be seen from her address this afternoon, she has dealt with this legislation with a great deal of interest. She got into the details and dealt with those critical things that a lot of parliamentarians, myself included, have a tendency to brush aside and not deal with.

She has taken the time and effort and worked extremely hard in order to represent our party in what is really, without exaggeration, the biggest pile of boring legislation that I have seen in a long time. That is no aspersion to any of the institutions or to the chairman of the committee or anyone. It is just boring, boring material, but very critical to our country and to our financial institutions, and, to use the new buzzword that is in play these days, to competitiveness.

I would have to say that there is the old view that it is a curse to live in interesting times and I believe we are. Changes are taking place in the world today. Political changes are occurring in the Soviet Union, in Eastern Europe and all around the world. The global marketplace is evolving and there are interesting things happening such as the European common market is now looking at a single currency, the Eurodollar. It is looking at perhaps a global, single unit of currency rather than the different yen, mark, Canadian dollar, American dollar and those things. There are some major fundamental changes taking place in our financial institutions and in our economic institutions.

The question then becomes whether we have done a proper job with the legislation that is before this House. I think it has been a process of exhaustion rather than actually dealing with a lot of the issues. The legislation has been around for a long time. The review has taken a long time. I think all of the financial institutions have finally said: "Enough. We will take what you give us and

we will get on with our lives". I think all members of the committee were of the same opinion.

However, we have to try to prepare these financial institutions for the year 2000 and beyond. I and our party feel that at this particular stage we have prepared them for the 1990s, but not for the year 2000. There is still more work to be done. We must make our institutions far more competitive and far more aware and involved in what is going on in the global economy.

The impression that we are left with is that this is an in between measure and that we will be back and working on these institutions and trying to make them more competitive in the future.

I must say as well that when we look at the information age and the things that are happening, such as the fact that you can be in Tokyo today and put your bank card in a machine and have yen taken out of your account, banking institutions are soon going to be processing a lot of their material and work in the part of the world that is asleep while they are awake. In other words, the banks in Canada and the United States will probably have a lot of their data processed in Hong Kong, Taiwan or Japan because while we are asleep they are awake and vice versa.

There are going to be some major changes and we have to be concerned about what is going to happen to our institutions. We cannot allow ourselves to lose the competitive edge, nor can we allow ourselves to have our technology and our knowledge systems broken into and utilized by other organizations and other countries.

We have to maintain the safeguards and the integrity of our system and the privacy of our information as this is going to be dealt with in other countries.

I look as well at the challenges we face. The goals of the Liberal Party were fairly simple at this stage. They were to try to protect the Canadian consumer, to have sound financial institutions and at the same time to make our financial institutions more competitive.

I think we have achieved to a degree the idea of serving our Canadian consumers better. I am not sure whether we have yet the full safety nets around the financial institutions. I am not sure whether OSFI in its present make-up can actually do the job it is intended to do. It seems that as soon as OSFI is interested in a financial institution, there is a run on that institution. It is almost like a sledgehammer killing a fly in some cases.

We have seen in a couple of our financial institutions in the past that it is necessary that we have a strong OSFI organization. We have to give it some of the tools to better protect our financial institutions. We cannot let OSFI become the institution that puts our financial institutions out of work.

There is also the issue of competitiveness which we have talked about. Our financial institutions have lost their competitive edge over the last number of years. Our banks have slipped from being major players in the world economy to minor players in the world economy and we have to do what we can to strengthen our financial institutions.

I also want to talk about the co-op movement, the co-operatives and credit unions because they are going to become more critical in years ahead. As we embark on a global economy and our institutions start to compete world-wide and become larger, there will be a tendency to forget about the individual.

We need those organizations that are going to be people oriented, that are going to accommodate the individuals on the farms, in the fishing villages, in the towns and municipalities in our country, and not deal with those large impersonal organizations. The credit unions, the caisses populaires and those organizations will be able to give our Canadian consumers the type of financial service they need and deserve. At the same time, by utilizing those organizations I believe that ultimately we will see the co-op movement become a major player on the world stage as well.

We can see what the caisse populaire has done and the credit union movement in Quebec has done as far as fuelling economic development in that province. I believe that organization and the concepts it espouses can do a tremendous job as far as the economic well-being of our country is concerned.

I appreciate the opportunity to have a short, quick, rushed comment on this legislation, having worked in the committee. It was a pleasure to serve on the committee and work with the chairman and the member for Mississauga who taught me a lot about the railroad industry as the bills were going through. He managed to railroad a number of clauses through very well.

• (1600)

It was nice to see that VIA Rail and CN were back in business in the Standing Committee on Finance at least. It was a pleasure to work on and study the legislation and to watch a good chairman pilot the legislation through the committee. It will be a pleasure, I am sure, to hear the comments of my friend from Nickel Belt who will be talking about caging animals and all the rest of that as we move to discuss financial institutions.

The only admonition I would give is that when you start caging animals and keeping a financial zoo, somebody eventually has to feed those animals and it could become a very expensive proposition. I thank the member for Nickel Belt for the opportunity to precede him. I regret that I will not be able to hear all that he has to say, although I will stay for a portion of his address.

Mr. Whittaker: Madam Speaker, a point of order. Before us today there are by agreement four bills being dealt with in one debate. Given that my friend from Nickel Belt would normally have 20, 40, 60, 80 minutes of debate, I am wondering in the spirit of Christmas if we can seek unanimous consent of the House to allow the member to speak a little longer than his 20 minutes, up to a maximum of 40 minutes. I know the House will not only be entertained, but my friend, having looked at some of his notes, has a lot to offer the House and the people of Canada in his speech.

Madam Deputy Speaker: Is there unanimous consent for the hon. member to get the same amount of time as the first speaker for the government and for the Liberal Party?

Mrs. Marleau: I am certainly happy to agree to the 40 minutes for my neighbouring colleague, but I would want to specify that there will be no 10 minutes for questions and comments. Is that understood?

Madam Deputy Speaker: That is the normal procedure when there is a 40-minute speech. It is not followed by a period of questions and comments.

Some hon. members: Agreed.

Mr. John R. Rodriguez (Nickel Belt): Madam Speaker, I want to thank my colleagues for that kind consideration.

These are not ordinary bills that we see here. These bills speak to the question of money, Canadians' money. That is what these bills speak to.

The lengthy process involving these bills seems to have begun with Bill C-83 in the previous Parliament. However, it began even before that. It began with the McDougall green paper in 1985, the Hockin blue paper in 1986, the draft trust bill in 1987, the Senate report in 1990. All these bills contain 2,428 clauses.

You have to imagine the way the structure was. Financial institutions were regulated by the Superintendent of Financial Institutions, Michael Mackenzie. He could best be described as an orchestra conductor. He would make sure that all of the players in the orchestra were in concert, each complementing the other; the wind section, the string section, the brass section—all of them. Mr. Mackenzie was playing away as the Superintendent of Financial Institutions.

I want to tell you that the whole future of financial institutions is being redesigned and it deals with the savings of the Canadian people.

In fact we now have a new vision of the Superintendent of Financial Institutions. We have abandoned the concept of the orchestra pit. The imagery of an orchestra conductor conducting the symphony is gone, just gone. With the passage of these bills at the end of third reading the Superintendent of Financial Institutions is now a matchmaker or a shadchan, as the Jewish culture would call it. That is somebody who makes a match. You have a daughter and you have a son; I am the matchmaker. This new picture of the Superintendent of Financial Institutions as a matchmaker is very well described in today's business paper.

It is deal making, as described in an article by Brian Milner. The headline is: "Spurned suitor left perplexed". The article continues: "It seemed like the perfect marriage. A Quebec based trust company with deep pockets and big ambitions teams up with a slightly larger but struggling competitor that still owns a valuable set of family jewels". See the picture. There is somebody in trouble, but they have some family jewels, and there is somebody with deep pockets.

Who has the deep pockets? Montreal Trust Co., which is owned by Bell Canada Enterprises. Have you got that picture? The one it is vying for is Central Guaranty. What happens? They both go and see a matchmaker. Central Guaranty wants to be bailed out. Montreal Trust wants to bail them out. Therefore, they go to the matchmaker, Michael Mackenzie, no longer the orchestra conductor but the matchmaker. He tries to make a match but something happens and it falls through. Why?

These are the words of Central Guaranty officials: "Central Guaranty officials say that the no quarter given bargaining tactics of Montreal Trust Co. left their board with no alternative". They found somebody else. You will see in a minute who they found.

"They were incredibly greedy. They wanted to steal the company", a Central official said. They bet that they were the only guys bidding and they lost. The article says: "Mr. Mackenzie is believed to have played a large behind the scenes role in the dealing that led up to Central Guaranty's branch sale". Guess who sneaked into the bedroom in the dark, grabbed the family jewels and took off? The National Bank of Canada. It took off with $3.5 billion in healthy loans and deposits and left all of the junk behind. I wonder who will pick that up. The bad loans, the non-performing loans, all the other things you cannot get a return on are left behind. I wonder who will pick it up.

These bills now see the Superintendent of Financial Institutions in a new role, not as orchestra conductor but actually as a matchmaker, trying to merge the weak with the strong.

It even gets to the point where all of these activities are very secretive. One would think that the Superintendent of Financial Institutions is really performing a job for the Canadian taxpayer. However, when the Superintendent of Financial Institutions claims the fifth amendment and refuses to testify before the OSC hearings you have to wonder what is going on. This is not a transparent system any more. These bills being passed into law will make it all the more ravenous.

• (1610)

What was the government's view of this reform? Why is it bringing it in? What were its goals with this? An information sheet on September 27, 1990 said that the purpose of this legislation was to benefit consumers by increasing competition and the spectrum of services offered by financial institutions.

Reading between the lines it says that you have to build bigger financial institutions, sumo wrestlers of financial institutions, that can compete abroad.

The second purpose of the legislation was to enhance protection for the depositors and policy holders. What does that mean? The translation is knock down the pillars, deregulate.

The third purpose was to strengthen the ability of Canadian financial institutions to compete at home and abroad by giving them new opportunities for growth.

We just saw that in the Royal Bank's latest statement on earnings. Take a look at it. Take a very good hard look at it. The Royal Bank has about $27 billion of assets internationally, and receives a return on assets of 1.52 per cent. It has $102 billion in domestic assets and receives a return of .55 per cent. Their return on equity on their foreign assets is 1.52 per cent and on their domestic assets is .55 per cent.

That is very important when you think about it. They want to become sumo wrestlers because there is more to be earned, and of course we do all the processing here at home. That is what we read between the lines.

The fourth purpose is to lay the groundwork for discussion with the provinces on harmonizing the regulations on supervision of financial institutions.

Read between the lines. That translates into relaxing business powers and ownership rules to the lowest common denominator. There is nothing to beef up the rules and say to the provinces: "Now you conform to the federal rules. Go up to the highest common factor". The government said: "No, we'll go down to the lowest common denominator". In these bills we have watered down our wine. We have not shown any leadership in Canada on the whole question of trying to get the provinces to harmonize with the tougher regulatory powers that should be at the federal level.

How do we New Democrats view reform of financial institutions? We have two aims and objectives in mind. First, the solvency of our financial firms and, second, the

availability of credit at a reasonable price, in every region, every city and every town and to every citizen.

Oh boy, did we have experts come before the committee during the whole process. We were inundated with bankers, auditors, and experts of all types. We had the most exotic array of flora from the financial jungles of Canada.

Mr. de Jong: And fauna.

Mr. Rodriguez: I like to use the flora; it is not so cruel. They were there in full colours. They were there at all stages. Never before in history have members of Parliament been so inundated with lobbyists of all stripes. There we were in the committee. We were led by the grand wizard and he was churning away. He chanted incantations as he peered at us: "Return on equity, capital base, demutualization, leverage, corporate governance, technical amendments, poor loss linkages".

An hon. member: Who's the wizard?

Mr. Rodriguez: The wizard is the member for Mississauga South in full regalia. "Cross pillar synergies". He reminded me of the witches from Macbeth. How does it go: "Boil and toil, oil and troubles, witches brew, cauldron bubble". There he was. That is the image of what he was.

Then he put his hand in and he pulled out Bill C-34. Everybody agreed that it was pretty harmless. It dealt with the co-operatives and my friend who will speak later will deal with that. He put it over on his side. Then he went on and pulled out some other things: "Prudential corporate governments". I bet you do not know what that is, Madam Speaker. "Prudential corporate governments, conduct at audit committees, independence from executive management". We had no problem with these first emanations from the cauldron.

However, in the images cast by the smoke emanating from the cauldron we saw the dark side. It is characterized by its mediocrity because it relaxes the rules on ownership, the rules on relationship between commercial and financial. This is a victory of mediocrity over excellence. By relaxing the ownership rules and broadening the powers both in-house and out-house we have also dropped the traditional opposition we had to close commercial ownership of financial institutions.

We thought that the wizard wanted to ensure the wide ownership which he had often espoused before he put his wizard's hat on, that what he had foreseen in 1987 he was prepared to do now. However, when he had done churning and chanting he put a cowl over the cauldron and said: "This is a done deal". Nobody else could put anything in the cauldron.

I wanted to put some garlic in the cauldron. I wanted to keep the evil spirits out. He would not let me put anything in the cauldron, no garlic. I could not even make a cross by the cauldron because he chanted: "This is a done deal. This is a done deal".

There is nothing on this earth in Canada that you, Madam Speaker, or I could do that could change it one iota. One jot or tittle could not be changed because it was a done deal.

• (1620)

These bills, in our view, do not address our very serious concerns, the concerns of wide ownership of financial institutions. They do not deal with the whole question of keeping commercial and financial arrangements separate. You cannot mix the two up.

I am not the only one saying this. Henry Kaufman, one of America's best known economists, testified to Congress this month that countries in which banking and commerce are close, such as Japan and western Germany, tend to end up with an elitist corporate state.

Gerald Corrigan, the influential chairman of the New York Federal Reserve voiced the central bank's objections that the deposit insurance safety net could be stretched too far, and some industries are too alien to central bankers for the proper supervision of banking subsidiaries. For the same reason monetary policy will be hard to run.

Corrigan warned of the same thing. He has been warning the American government and American regulators that when you start mixing up the commercial with the financial, it is a recipe for disaster. We have that in this cauldron. It was cooked up and it was churned up by my colleague, the member for Mississauga South.

These bills fail to address the question of harmonization. We called on the government to show some leadership. We said: "Why do you not call a meeting of regulatory authorities and provinces to deal with the number one problem in financial Canada, harmonization of financial institutions?"

There are things that you are allowed to do provincially that you are not allowed to do federally. What the government does is simply incorporate provincially where it is a little bit more loosey goosey.

We pass rules here that contradict things that are happening at the provincial level and it does not make any sense. Each jurisdiction has its own rules which contravene or duplicate federal rules. These bills, to a large extent, it seems to me are pitching to the mythical average province.

It brings us down to the lowest common denominator and not the highest common factor.

Mr. Mills: No national standards.

Mr. Rodriguez: That is right. My colleague and friend from Broadview—Greenwood is absolutely correct.

Financial harmonization is not so much a question of technical complexity but rather one of political will. Does the government have the political will to do it? This government has never shown any national leadership, especially in the area of financial institutions harmonization.

What we end up with is the tail wagging the dog. That is what we have here. In the whole process, I am sorry to say that my Liberal colleagues showed absolutely no leadership in the committee. They showed no leadership whatsoever.

There were occasions when they actually watered it down even further by jumping and saying to the grand wizard: "You are putting too much of that in there. Take it out". We wanted to put two auditors in the cauldron. They said: "No, you only need one. Take one out". We ended up with only one auditor for financial institutions.

Read the papers. Read what is going on. There is a feeding frenzy out there. They are involved in all kinds of real estate things. The trust and loans companies are capital hungry.

Madam Deputy Speaker: I am sorry I must interrupt the hon. member.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Madam Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bills, without amendment: Bill C-17, an act to amend the Criminal Code and the Customs Tariff in consequence thereof, and Bill C-27, an act respecting the privileges and immunities of foreign missions and international organizations.

* * *

THE ROYAL ASSENT

Madam Deputy Speaker: I also have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa

December 5, 1991

Sir,

I have the honour to inform you that the Hon. Frank Iacobucci, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 5th December, 1991, at 4.20 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,
Judith A. LaRocque
Secretary to the Governor General

[*English*]

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

Madam Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Madam Speaker with the House went up to the Senate chamber.

[*Translation*]

And being returned:

Madam Deputy Speaker: I have the honour to inform the House that when the House went up to the Senate chamber, the Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Bill C-44, an act to amend the Canada Labour Code (geographic certification)—Chapter 39.

Bill C-17, an act to amend the Criminal Code and the Customs Tariff in consequence thereof—Chapter 40.

Bill C-27, an act respecting the privileges and immunities of foreign missions and international organizations—Chapter 41.

TRUST AND LOAN COMPANIES ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Loiselle that Bill C-4, an act to revise and amend the law governing federal trust and loan companies and to provide for related and consequential matters, be read the third time and passed.

BANK ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-19, an act respecting banks and banking, be read the third time and passed.

INSURANCE COMPANIES ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Loiselle that Bill C-28, an act respecting insurance companies and fraternal benefit societies, be read the third time and passed.

CO-OPERATIVE CREDIT ASSOCIATIONS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Loiselle that Bill C-34, an act to revise and amend the law governing co-operative credit associations and to provide for related and consequential matters, be read the third time and passed.

Mr. John R. Rodriguez (Nickel Belt): Madam Speaker, as I was saying, there is the whole question of overlaps between the federal rules governing financial institutions and provincial rules. There are overlaps that have not been dealt with. There are such things as conflict of interest, arm's length, self-dealing relationships and capital adequacy. They have not been dealt with in terms of the federal-provincial overlaps.

In terms of soundness and stability of our system, we have developed an extremely sound financial institutional system in this country. It is one of the best in the world when we compare it with what we see south of the border and when we compare it with the European problems and the Japanese problems. I am leaving aside the complaining that we often have from time to time about credit card interest rates and bank service charges and financial institutions serving single industry towns and rural communities. I just want to leave that aside for the moment. Based on soundness and stability, the financial institutional system of this country is one of the best in the world, if not the best in the world.

How did the system get that stability? It took the crash of 1929 to get that. It was not the two main parties that have governed Canada. It was not the two parties that brought this about. It is a direct result of the hard lessons we learned from the crash of 1929. Of course the hard working citizens of this country have contributed to these high marks.

We warned at every stage of the bill that benefits earned by deregulation are not free. There is a price. What is the price for our global warriors? Read the papers. Read what is happening. There is increased concentration of ownership, increased concentration of activity, increased vulnerability of our financial institutions as they move into foreign markets and gradually have a larger share of their earnings determined outside Canada. Consider the forays that were made in the last couple of years where some of our financial institutions went into the United States and started buying real estate and getting into commercial real estate lending, golf courses and apartment buildings. They are ending up as pretty big landowners and landlords in the United States.

• (1640)

I mentioned the fact about their foreign markets. When they get an increasing share of their earnings from their foreign investments, how do you control that? How do you control these activities?

We have pointed out the shortfalls of this reform which failed to address the decline in the transparency of the financial system as a whole. Imagine trying to track the financial transactions as they cross borders.

Have we forgotten the BCCI? We did not even know what transactions were going on across the borders between the BCCI in Canada and the United Kingdom. We received the report from the regulator in Great Britain about the BCCI. They could not read it because of all the heavily blacked out information. They had to bring in agent 007 to try and see through the black.

This is the first time I have ever heard of a financial institution going down because of the black ink. They usually go down because of the red ink.

All the information is not even available to our regulator for transactions that cross borders from Canada to others. We cannot track that, yet we are encouraging the development of these sumo wrestlers where you have to reinforce the stage at Albert Hall so they can wrestle each other.

At committee and report stages we proposed amendments and alternatives that would address some of the concerns that we expressed. When the bathtub was heaved out the window, we wanted only the water to go out the window. We wished for the baby to remain.

In view of what took place, we on this side of the House tried, but in vain. We heard the chairman for Mississauga South chanting: "It is a done deal. It is a done deal". There was nothing we could do about it.

The *Financial Post* of November 29, 1991 did a report on the story. It said that the chairman of the committee who is the member for Mississauga South:

> —along with the Minister of State for Finance—shepherded the legislation through long parliamentary hearings

Shepherd they did and that is what he was. He was the good shepherd. He would say: "Shall clauses 400 to 600 carry?" The Tories would say: "Baa". He would say: "Shall clauses 600 to 650 carry?" " Baa". He shepherded all right. He shepherded 2,468 clauses right through into the promised land.

If there was anything in the committee that somebody did not like, it went to the big sheep, the minister, who with nods and winks finally got it through.

There was one more "It is a done deal" and one more "Done deal". With a few more "Done deals" this government would have made a complete mockery of Parliament and its role in protecting the future of the country.

Financial institutions knew many months ahead that the walls between banks and insurance and trust companies were coming down. The walls of Jericho were coming down. They knew that and they went out there to become significant players. For the last 12 to 18 months they have been hiring the top guns in real estate and the top guns in insurance. When you have something to be fixed, you go to the top guns. Behind closed doors a deal was struck on these bills. Parliament did not legislate these. We are going through a pro forma exercise here. This was a done deal behind closed doors with the BCNI and the financial bigwigs of this country. They cooked up this deal. They handed it to the government. They said: "You shepherd it through your flock of sheep. You do it". That is what happened. That is what we have here.

That is why we could not move any substantial amendments or change anything substantive in these bills. It was a done deal as the member for Mississauga said. In blunt terms, this is a compromise among the corporate interests of this country. They get what they can and they keep what they have. That is the approach. "What I have got is mine and what is yours is negotiable". That is the approach. That is the Canadian tradition.

I want to say these Tories, this government has speeded up, accelerated and extrapolated what the Liberal governments before them began. If we read the bills, the language of the bills is written in a complex "loopholable" and double sort of language. It is a language which divides society into: "I know and it is up to you to find out", a language that protects the jobs and ever-rising incomes of the myriad lawyers, accountants and experts who thrive on legalism. It protects the private fortunes and the empires of the 40 to 60 families and corporations of this country which control two-thirds of the financial assets of Canada.

We had four pillars. We had a pillar arrangement following the crash of 1929. We had a pillar for banks, for investment brokers, for trust and loan companies, and for insurance companies. We had four pillars. The first thing they did was to collapse that pillar in 1987 to bail out the brokerage houses because they had gone too far out on a limb and they lacked the capital. Today where are those pillars? Where is that pillar? It is in the back

pocket of every bank. They have all got their side-arms. These are the RBC, Dominion and ScotiaMcLeod. They even wear their fancy Scottish tartans. They are identified by their tartans and their little caps like my colleague from Thunder Bay, except theirs is a bright orange. I do not know where they got that from.

Financial deregulation was triggered by the Ronald Reagan administration of the early 1980s. It revolves around letting the market decide so that these systems will become even more efficient in a global market.

The first pillar went down. Bills C-4, C-19 and C-28 further collapsed the pillars. There is going to be no legal distinction or very little legal distinction between banks, trust and insurance companies. It encourages the further breakdown of the pillars. It will erode the pillar structure.

The emergence of a full service financial conglomerate will now come out of the cauldron. That is the ultimate aim of the wizard of Mississauga South. He is now going to draw out of that that there will only be one super financial institution, one financial conglomerate. It will either do it by broadening in-house powers or through the acquisition of subsidiaries including insurance and vice versa.

Canada's laws and regulations supported the pillar concept from a national perspective. They were set to create and regulate institutions which not only held a distinct and well-defined function but also obeyed different ownership rules.

• (1650)

The pillar constraints were designed to make supervision easier. It was designed to protect national markets from concentration and to reduce chain reactions in the case of a failure. Ownership rules were designed to discourage direct accumulation of powers. They were designed to prevent vertical concentration and conflict of interest and self-dealing.

These rules also safeguarded a predominant Canadian content. We all know about the 10 per cent rule for banks and we know about the 25 per cent rule stating that no group of non-residents may hold more than 25 per cent of the shares of a bank. Now they are all history. As a result, banks, insurance companies and trust companies will virtually be able to own any type of financial institution.

Look at what is to come. Look inside the cauldron, see what is in there, and see what is emerging from the depths of the cauldron that has been stirred up by my colleague from Mississauga South, the wizard of the committee. Look at what is happening. Insurance companies have recently been gobbling up trust companies. Sun Life Trust, the wholly owned subsidiary of Sun Life Assurance Company, bought Coronet Trust from Crown Inc. and Counsel Trust from Counsel Corp., making it the eighth largest trust company in the country with more than $3 billion in assets.

The Confederation Life Insurance Co. has been gobbled up. The sale of Standard Trust to Laurentian Bank; the sale of Cabot Capital Corporation and 50 per cent of Huronia Trust and First-Line Trust to Manulife Financial; the sale of Citizens Trust to Vancouver City Savings Credit Union; the sale of two units of La Financière coopérants Inc. to La Financière coopérants crédit-bail Inc. Inc.; and Financière coopérants prêt-épargne Inc. to Laurentian Bank.

Central Guaranty Trust Ltd. is waiting for the matchmaker so that marriage can be consummated. It is sitting there in the bedroom waiting.

National Trust and First City Trust are potential merge candidates; more work for the new matchmaker, not the orchestra conductor any more, but the new matchmaker. That is the new reality. That is the new Tory financial institution's outlook.

I have said consistently in committee that financial-commercial linkages will legalize the creation of major private governments and they have adverse effects on our CDIC.

Imagine one of these sumo wrestlers growing and growing with $700 billion in assets walking into any prime minister's office and saying: "Hey, Charlie, this is what you're going to do". Is the Prime Minister going to argue with anybody like that? Is he going to argue with that kind of sumo wrestling power? No. He is going to say: "What do you want, sir, and how much?" That is the danger: increased monopoly and the cost of failure.

Imagine what would have happened if we had an Algoma Bank or a Lavalin Bank or a Robert Campeau Bank? Where would we be today? We would be paying for a scream off for God's sake.

In 1989 the CDIC annual report pointed out that; we had since 1970 some 20 trust and loan companies that went down the tube. The value to CDIC was $1.048 billion. We paid that; we picked it up. The situation that I have described encourages more incentives for mergers. It encourages more links between the commercial and the financial. It is not going to be a more regulated system. They have watered it down. There is no harmonization with the provinces. This is part of the neo-conservative view that what is good for the market has to be good for Canada, and it ain't necessarily so.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I am pleased to have an opportunity to take a few minutes to participate in this debate.

This particular set of bills, the financial institution bills, has in many ways demonstrated Parliament at its best in terms of process. Through the committee stage, through second reading, report and third reading stages of this bill there has been a lot of good will on the part of members from all sides of the House.

As a result I think this legislation has had a very complete and thorough review. I think members on all sides of the House should be complimented for their work in this legislation.

Madam Speaker, I know that you are aware of the impact that has had on the House and on the general good will that has built up between members.

When the House leader for the Official Opposition asked the regular Thursday question, there was a strong indication that the opposition was prepared to extend hours this evening to allow us to sit beyond the ordinary hour of adjournment to complete third reading of this bill. I know that there is a desire on the part of all members to see that debate is completed on this bill in time to proceed to the Senate, so that the Senate will have adequate time to review it next week and we can have the royal assent prior to us adjourning for Christmas.

I do not want to take a great deal of time of the House. Under Standing Order 26(1) I move:

> That the House continue to sit beyond the ordinary hour of adjournment for the purpose of continuing consideration of third reading debate on Bill C-4, an act to revise and amend the law governing federal trust and loan companies and to provide for related and consequential matters.

Mr. Angus: Madam Speaker, I just wish to advise the House that because a number of our members who are scheduled to speak on this bill are unavailable this evening, we will be unable to support this motion. More important I should point out to the House and to those people watching that regardless of whether the bill is completed today or tomorrow, any vote on it will not happen until Monday next. Therefore there is no need for such speed to get it to the Senate because it will not go to the Senate until after Monday in any case.

Mr. Cooper: I am sorry, Madam Speaker, I do not intend to delay your putting of the motion. There has been a great deal of co-operation in the House lately, and the Official Opposition has indicated that tomorrow afternoon it would like to move a concurrence motion which will dramatically affect the amount of time that we in this House have to complete both Bill C-5 and the financial institution bills before us right now.

I am just wondering if I can obtain from him an assurance that it should not be any problem completing those prior to Routine Proceedings tomorrow which would be at the normal time of approximately twelve o'clock.

Mr. Angus: Madam Speaker, actually at this point, without having consulted with my colleague, the critic for these bills, I am not sure what time he requires for our speakers to complete it.

I can assure him though in terms of Bill C-5, for which I am responsible, that it is my intention not to give more than a five-minute speech and to allow both report stage and third reading to occur tomorrow, because we would rather get the bill passed and to the Senate.

In any case, as the parliamentary secretary to the government House leader pointed out in a media conference this afternoon, Thursday and Friday of next week

have not been allocated in terms of the work of this House. He knows he has some flexibility to get the agenda of the government through by next Friday.

Mr. Cooper: I do not mean to prolong this, but I want to be very clear. What the hon. member is suggesting is that an agreement that has gone on between the various House leaders did allow for us to complete the stages of both Bill C-5 and the financial institution bills by at the latest tomorrow. He knows our concerns relating to the Senate.

I just want to make sure that no misunderstanding is developing.

Madam Deputy Speaker: Just one moment. I see the hon. member has left the House. The hon. member for Oshawa rose and seemed rather upset and asked for a point of order, as another member had been recognized on a point of order. He seemed to be rather upset with the Speaker.

• (1700)

I do hope that the hon. Whip will let the hon. member know that I cannot recognize two people at the same time. There has to be one person after the other and someone already had the floor.

Mr. Angus: Madam Speaker, I will pass on that information.

I would just like to say to the House that it is my understanding that at no time did we give a commitment to reduce the number of speakers in order that the bill be passed tomorrow. We did not know about the intention of the Official Opposition to move concurrence in that motion tomorrow which has disrupted the schedule that was planned out by the House leaders, I understand that notice was given at the House leaders meeting. That was not part of the mix. It is still our intention to endeavour to meet that agreement but we cannot do so if our members are not given adequate time to make their comments.

I know some members are staying in Ottawa in order to do that, although some of them are not available tonight.

Madam Deputy Speaker: Will those members who object to the motion please rise in their places.

And more than 15 members having risen:

Madam Deputy Speaker: Pursuant to Standing Order 26(2), the motion is deemed to have been withdrawn.

Motion withdrawn.

Madam Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Southwest Nova—The Economy; the hon. member for Mission—Coquitlam—Meme Breast Implants; the hon. member for Drummond—Imported Carpeting; the hon. member for York North—Unemployment; the hon. member for St. Boniface—Poverty.

Mr. Mills: Excuse me, Madam Speaker, I have a point of order.

I just want to seek a clarification from the Chair. If I understand correctly, the member for Thunder Bay earlier today asked for unanimous consent of this House to take an extra 40 minutes so that he could put forward his point of view on this bill. We concurred in the spirit of co-operation in order to get this bill moving.

If I understood correctly, the NDP now is saying we cannot continue to debate this bill in order to get it going.

An hon. member: Precisely.

Madam Deputy Speaker: The hon. member may want to reread Standing Order 26(1) which says, if I may paraphrase, that if a member from his seat asks that debate continue after the normal hour, if less than 15 members rise and say they disagree, we do go on. If 15 or more members rise and say they do not agree, the motion is deemed to have been withdrawn, which is what we have just seen in the last few minutes.

The Speaker explains the rules. This is all that I try and do.

It being five o'clock p.m., pursuant to Standing Order 36, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

HEALTH

FAMILY PLANNING

The House resumed, from October 31, consideration of the motion of Ms. Black (p. 4331).

Mr. Jim Karpoff (Surrey North): Madam Speaker, I am most pleased to be able to rise and speak in favour of the motion that has been put forward by my colleague from New Westminster—Burnaby.

One of the things that is quite striking in our society is that the same situation is one of the greatest causes of joy and one of the greatest causes of sorrow, that is the determination by a woman that she is pregnant.

If a woman is mature, financially well off, and wishes to have a child it is a time for great joy and celebration. If a woman is immature, poor, unemployed, and particularly if she does not wish to have a child it is a time for great anguish, trauma, and sorrow.

Since the government's failed attempt to recriminalize abortion, it has failed to come forward with any concrete positive measures to deal with the question of unwanted pregnancies. I think that this bill goes a long way toward beginning to put forward very concrete, positive steps to deal with this and other problems in Canada related to unwanted pregnancies and the spread of venereal disease.

Sexual ignorance is widespread. Before we look at programs, we have to look at some of the information about the situation in Canada. One in five 14-year-olds and one in two 16-year-olds are sexually active. One in five teenage girls will become pregnant before the age of 20. Sexually transmitted disease affects one in every eight Canadians. One in 10 couples is infertile, partly as a result of sexually transmitted disease.

Although 83 per cent of Canadians believe that sexual education should be taught in schools, only one-half of schools in Canada approve any such program. Forty-six per cent of Canadians feel that they have limited access to contraception and family planning. Nearly 70,000 women in Canada have abortions each year.

When one looks at these statistics in comparison with other countries, particularly other countries in which family planning and sexual education is the norm, it is quite striking. The rate of adolescent pregnancies in Canada is five times as high as in the Netherlands, five times. It is four times as high as in the Scandinavian countries.

We have had some experience with what can happen with even limited family planning programs aimed at adolescents and young women. In Ontario between 1976 and 1986 there was a 23 per cent reduction in the number of adolescent pregnancies. They declined from 21,000 to 14,000 a year. The rate of abortion in that period of time remained relatively the same. This was as a result of education programs undertaken within the province of Ontario.

• (1710)

In 1975 the Ontario government said that it would fund 100 per cent of education information and contraceptive services through health units. Eighty-one per cent of the units now offer these services. At the same time, it made the opportunity available for education within the school system. This has not been universally done.

The result is that there has been a dramatic drop in the rate of pregnancies and abortions in Ontario, particularly among young teens up to the age of 16. In this age group the rate of pregnancies has dropped 33 per cent, the rate of births has dropped 40 per cent, and the rate of abortions has dropped 28 per cent.

For older teens, those 17 to 19, the rate of pregnancies has dropped 20 per cent and the rate of births has dropped 38 per cent, but abortions have risen.

In the report that studied the question of whether extending access to prevention reduces abortions and births to the unmarried, the conclusions are: "It is a reasonable conclusion that declining pregnancies during the decade are largely as a result of programs reaching the most accessible adolescents: accessible geographically, living close to public and private prevention resources, accessible socially, meaning those with support within their personal network to reinforce prevention messages, and accessible personally, adolescents who did not have some special needs, disability or who were not living in deprived, crisis-ridden environments".

There are clear indications that family planning and education work.

We very much want to take a look at what is happening in Canada with regard to family planning. The federal government was supportive of family planning and the Planned Parenthood Association in Canada. Its funding peaked in 1977 at $627,000 but has taken a dramatic nosedive since then under two governments. The former Liberal government reduced the association's funding from $627,000 to $237,000 by the time it left office in

1984. It was tragic. Funding was cut not only in half but greater than half.

The Tory government then got in. It was going to show that it could do even better, that it could cut more and cut faster. By 1990 it had taken the $237,000 and reduced it to $146,000, where it has been frozen. There is now no comprehensive program in Canada without that.

The Speaker is indicating that my time is running out. I think it is tragic that there is no program, particularly because of the fact that the cost benefit ratio has been shown to be one to ten.

It is also a personal tragedy. I think this bill would go a long way toward restoring these programs and helping women and other young people deal with it on a very positive basis.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Madam Speaker, the Department of National Health and Welfare Canada recognizes the need for programs in the area of sexuality education and family planning, especially for young people.

The Health Promotion Contribution Program under the health promotion fund provides funding to community based projects. Since 1983 the Health Promotion Contribution Program has dedicated over $2 million to projects related to reproductive health, including fertility and family planning. One project is the development of a national sexuality information resource centre and clearing-house by Planned Parenthood Federation of Canada.

To assist Planned Parenthood in its endeavour to reach this goal, the Department of National Health and Welfare Canada, through the Health Promotion Contribution Program, was able to direct $314,000 to Planned Parenthood, to conduct a structured needs assessment and to begin the development of the sexuality information resource centre and clearing-house. These funds have allowed Planned Parenthood not only to conduct a needs assessment but to begin the development of the centre.

The purpose of this project is to fill a gap in the information services available and to assist educators who work with individuals in family life education.

The need to co-ordinate quality information about human sexuality has been indicated by many organizations.

Planned Parenthood is now working hard to raise funds from individual, foundation and corporate sources to cover the high start-up costs of the resource centre and the clearing-house function. Many clearing-houses have shared this challenge of finding and maintaining funding sources.

The Department of National Health and Welfare supports the intent of the resource centre and clearing-house and encourages all sectors to show commitment to this worth-while project. In Canada we are fortunate to have the voluntary sector play such an important role in health care. This is in keeping with our philosophy of fostering public participation and strengthening community response to health needs.

There are many other projects related to reproductive health funded through the Health Promotion Contribution Program. For example, a child abuse prevention training kit for day care workers; a community resource kit on new reproductive technologies; a northern childbirth workshop for women and their families; a needs assessment and plan of action for women in menopause; and a maritime parent sexuality education project.

The health promotion fund manages the AIDS Community Program known as "ACAP". This program funds projects that strengthen community participation, intersectoral co-ordination and evaluation in addressing HIV-AIDS issues.

Within the education and awareness initiatives supported by this progBram, several focus on the enhancement of negotiating skills and behavior change.

Two such projects, "Sex without AIDS today", sponsored by the Faculty of Nursing of the University, of New Brunswick, and "Talking sex on campus", sponsored by the Faculty of Nursing Student Council of the University of Toronto, focus on skill building and the adoption of safer sex behaviour by students.

• (1720)

Another project, "How to talk to your kids about AIDS", sponsored by Planned Parenthood in Hamilton, Ontario, will assist parents to teach their children about sexuality.

These projects and others promote safer sex practices and focus on examining one's own sexual behaviour.

The Department of National Health and Welfare has been involved in an exciting project sponsored by Telefilm Canada, CBC, and Playing with Time Incorporated. The result of this year-long collaboration and consultation with Health and Welfare is *Degrassi Talks*, a series of six innovative documentaries examining the problems and concerns young people deal with every day. The series will be hosted by cast members of the *Degrassi* television series and will include talks with teens about tough issued like sexuality, teen sex, depression, abuse, drugs and alcohol.

The government is pleased to be part of this national educational program and is exploring other ways to be involved with the presentation of this CBC television production.

Teenagers and young adults who are school dropouts, unemployed or have no permanent homes are especially vulnerable not only teenage pregnancy, sexually transmitted diseases, and AIDS, but substance abuse as well. Many of the educational strategies used for substance abuse prevention can raise individual self-esteem and can improve decision-making skills. Many of the drug strategy programs have been designed within this comprehensive framework, so they too can have a positive effect on the individual's over-all health including their sexual health.

Canada's drug strategy aims to reduce the harm caused by alcohol and other drugs to individuals, families and communities. Many partners are co-operating in dealing with Canada's drug problem and the Department of National Health and Welfare plays a leading role in this partnership. Grants and contributions support community drug awareness initiatives such as Safe Grad, Students Against Impaired Driving, and other community alcohol abuse programs. Prevention programs, such as the "Really Me" awareness campaign, are designed to change teenagers' attitudes toward peer pressure and to help them feel better and trust their own decisions and choices. "Ready or Not" is an education program that enables parents to help their eight to twelve year old children make positive and informed choices about drug use and also enables mothers and fathers to build parenting and communication skills through group discussion and information sessions.

These programs', as well as others within the national drug stategy, promote life-skills that will enable the individual to make better decisions related to a variety of situations and will promote the self-worth of the person. These will, in turn, lead to better choices for lifestyle behaviour.

In conclusion, this government has considered and is trying to help fulfil the needs of many individuals, organizations and communities. We will continue our efforts to provide a co-ordinated and comprehensive approach to sexuality and reproductive health issues within the Department of National Health and Welfare.

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MESSAGE FROM THE SENATE

Madam Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-6, an act to amend the act of incorporation of Metropolitan General Insurance Company in order to authorize its continuance under the laws of the province of Quebec, to which the concurrence of this House is desired.

* * *

[*English*]

HEALTH

FAMILY PLANNING

The House resumed consideration of the motion of Ms. Black (p. 4331).

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, I am pleased to rise on this private member's motion supporting the development of a number of programs related to the prevention of unwanted pregnancies.

It really is a shame that we even have to put those two words together, that any pregnancy, the potential for any child to be born, can be an unwanted event in anybody's life, but it can be. There have been a lot of statistics in the speeches I have read and heard on this subject about the number of pregnancies, the transmission of sexual diseases, the ages at which young men and women are

becoming sexually active, the numbers of abortions that result, and so on.

I think it is sometimes more effective to talk about real people to whom this happens, rather than about statistics. Therefore, I am going to talk about two young women I know and their stories, which are somewhat different despite their similar backgrounds.

First, I am going to talk about a young woman named Jan who came to see me at my constituency office very recently. She phoned and said: "You said if I ever needed some encouragement to go back to school to give you a call, so I am calling you". We spent about an hour talking one Saturday afternoon.

Jan had grown up in a public housing community. That meant that about two-thirds of the families in that community were living on public assistance. The ones who were not on public assistance were in very low paying jobs. It meant that the vast majority were single parents and the vast majority of the children were living in single parent households. That meant that at least two-thirds of them were living in conditions of extreme poverty.

Jan said to me: "You have known our community for a long time. You have watched a lot of us grow up". She mentioned a few people I would remember. She said: "Of all of us there are only two out of that community of 132 homes who grew up, finished high school and did not get into drugs or did not get in trouble with the law or did not get pregnant". There were only two out of the hundreds of young children who grew up in that community.

Jan is all set to go back to community college now. She has been working two jobs so she can earn the money to do that. If she achieves her dream, she will have a college diploma in a couple of years and may even go on to university. She will have some hope for her life and she will have some prospects. We talked about all the young girls who became pregnant and why they did.

I want to talk about another young girl, Penny, whom I have also seen grow up from a little two-year-old. She grew up in another public housing community, also in poverty, with not enough social services, not enough support for the families in those communities. She had her dreams too.

Her dream was to be an aeronautical engineer. That may seem an unrealistic dream for a little girl growing up in poverty. In fact she was just about to finish her high school education at a technical school as an auto mechanic, which was a good entry into being an aeronautical mechanic. However, she got pregnant, lost the baby, and then got pregnant again.

We talked about the lack of self-esteem that one develops growing up in poverty and all the reasons that young girls get pregnant rather than dreaming the same dreams as others in society and trying to fulfil them.

I am not saying that only young women growing up in poverty get pregnant, but they do disproportionately. That is one major issue we have to deal with. Why do we have a society, one of the wealthiest countries in the world, in which one million children live in poverty? We know that means they are four times more likely to drop out of school.

• (1730)

They are much less likely to go on to university even if they finish high school. They are more likely to die. They are more likely to get sick. They are more likely to be injured. They are more likely to commit suicide.

If we start talking about programs to prevent unwanted pregnancies, we must start looking at the fundamental reasons that young girls get pregnant. Poverty is certainly one of them. The biggest one, and it arises out of poverty, is a lack of self-esteem.

Until we are able to deal with that problem I am going to continue to see in my community nine, ten and eleven year old girls being sexually approached by young boys and responding, because that is what their sense of self-worth and self-esteem comes from.

Look at the advertising on our airwaves. Look at how we use sexuality to sell products and how that convinces very young girls that only by being sexually active, sexually attractive and sexually aggressive can they have value.

There are a lot of things in our society that tell women they do not have value. There is a lot of money spent telling them that their only value is sexual.

If we are going to address unwanted pregnancies we need to deal with the sexual abuse of young children. What are the results if we do not deal with these things? The results, as we are seeing now, are 66,000 abortions a year. The cost is not only money but tremendous agony.

We are seeing again young women dropping out of school, living lives of poverty, and damaging their health.

It is a straight case of gender discrimination if we do not deal with preventing unwanted pregnancies because boys do not get pregnant. Boys can walk away from an unwanted pregnancy. It is the young women who bear the economic, social and health costs. The cost is their future.

We only repeat that cycle when we have children having children and trying to raise them. It is not surprising that we still have trouble dealing with this as a public policy issue. Believe it or not, it was barely 20 years ago that it became legal in this country to sell or even distribute information on contraception. If we had an AIDS epidemic 22 years ago you would not have been able to walk into a drugstore to buy a condom.

It is not surprising that we still have trouble dealing with what our public policy should be on pregnancy planning and on family planning. Health plans in a number of our provinces do not even cover the cost of contraceptives, yet we wonder why we have unwanted pregnancies.

We need to talk about prevention. Yet, there is a cutback in funding to provincial programs that deal with issues of poverty and issues affecting the young women I have talked about.

We have fiscal restraint in health and welfare resulting in cutbacks in the kinds of programs the hon. member just spoke about. In fact, we are cutting back on preventing drinking and driving. We are cutting back on preventing alcoholism. That is because of cutbacks in both funding and people in that department.

These preventive programs are being sacrificed. We are cutting back on employment programs in the summer, which is one of the reasons some of the young people I talk about are able to return to school in the fall. Without the summer employment programs, they never go back to school.

Finally I want to talk briefly about letters I have written to the several Ministers of National Health and Welfare asking: "Why is there not research on contraception?" We set up a Drug Prices Review Board that is supposed to monitor drug prices and how companies that have received new protection for their profits spend their research dollars.

Yet, the Minister of National Health and Welfare is not interested in why that money is not being spent on research into contraception and pregnancy prevention.

We owe our children information. We owe them knowledge. We owe them programs. We owe these especially to our young women to make them feel like worth-while human beings independent of their sexuality. We need to make them independent of the need to become sexually active just to feel like a decent human being.

We need to address those kinds of issues as we talk about programs to prevent unwanted pregnancies.

I hope the House will endorse this motion. Hopefully it will start us on a program to allow more of our young people to lead their lives fully and completely without unwanted pregnancies.

Mr. Stan Darling (Parry Sound—Muskoka): Madam Speaker, I am pleased to rise and speak briefly on this very important matter.

In the area of teenage pregnancies, the government has taken a comprehensive approach to sexual and reproductive health. We address concerns of this nature through pro grams that promote responsible decision making and responsible sexual behaviour. The government agrees that there is a need for action to reduce the incidence of teenage pregnancies in Canada.

We know that some teenagers begin sexual activity at a young age. According to the Canadian Youth and AIDS study, one in five 14-year-olds and one in two 16-year-olds said they had sexual intercourse at least once.

In 1987, 36,000 Canadian teenagers became pregnant. This is too large a number of teens who have become pregnant before they are socially, economically, physically and emotionally prepared. The negative effects of early parenthood have been well documented and may have serious adverse consequences for the teenagers

themselves, their babies, their families, their parents and society.

The provincial and territorial governments provide information and education about sexuality to teenagers through various means, including schools, health clinics, family physicians, public health nurses and social service centres. There are myriad other non-governmental organizations involved.

Nonetheless, the federal government must work with non-governmental organizations, other levels of government and individuals to identify barriers to service and to act to remove these barriers.

It is the government's belief that education and access to appropriate resources are critical steps in preventing these difficult problems of teenage pregnancy and sexually transmitted diseases.

I would like to describe some current federal government initiatives that address the prevention of teenage pregnancy. Recently a report on adolescent reproductive health was produced by a federal-provincial-territorial working group and was distributed across Canada. The report examines the problems associated with sexual and reproductive health with an emphasis on teenage pregnancy and sexually transmitted diseases. It also emphasizes the importance of sexual health information and education and makes recommendations. The government is committed to supporting the activities of the provinces, territories and organizations in meeting the recommendations outlined in this report. For example, through its special competition, the National Health Research and Development Program will fund research related to sexual health, education and services.

On a similar theme, many areas within the Department of National Health and Welfare are involved in the review of research related to contraceptive devices and contraceptive services.

The health protection branch has a bureau of radiation and medical devices that reviews the safety and efficacy data of new contraceptive devices and responds to reported problems with existing devices. The sale of contraceptive devices in Canada is controlled by the Food and Drugs Act and the medical devices regulations.

• (1740)

These regulations ensure that only safe and efficacious products are available to the Canadian public. A review of the research is done on all contraceptive devices which are left in the body for more than 30 days, such as the intrauterine device. These devices undergo a pre-market review considering safety and efficacy data prior to being sold in Canada.

Other contraceptive devices are monitored through post-market surveillance, through manufacturer statements of safety and efficacy.

As well, the bureau continues to contribute to the development of international standards for condom testing. This entails collecting data on condom standards, quality, distribution and use.

Under the Food and Drugs Act and regulations the bureau of human prescription drugs of the health protection branch monitors and evaluates all new drugs to be used as contraceptives. Their safety and efficacy is ensured during clinical trials and prior to marketing.

The hon. member for New Westminster—Burnaby during our first hour of debate called for the government to investigate the drug RU-486 which is used to terminate pregnancy. The government has no present intent to clinically investigate RU-486.

Before a drug like RU-486 may be sold in Canada, an acceptable new drug submission would have to be filed with the health protection branch. According to the food and drug regulations, such a submission must contain substantial evidence of the safety and efficacy of the product under the recommended conditions of use.

To date, no such submission and no clinical protocols for investigation of RU-486 have been received. It is important to note that under the Canadian Food and Drugs Act and regulations the decision to file a submission for any drug rests with the manufacturer.

The health protection branch also has a special advisory committee on reproductive physiology which advises it on issues related to contraception.

For example, the labelling of oral contraceptives is periodically reviewed by both this body and by the health protection branch and is updated based on new information.

The work of the bureau of medical devices and the bureau of human prescription drugs has a direct impact on effective contraceptive use by individuals and on the prevention of teenage pregnancies and sexually transmitted diseases.

The federal government places special emphasis on supporting families in their parenting role, especially teenagers who are raising children. Thus the Department of National Health and Welfare has implemented a national post-partum parent support program. This program not only strengthens the family centred approach to maternity and newborn care in Canadian hospitals and community health settings, but provides parents with information and support through the post-partum period.

For those who experience unplanned pregnancy and who choose to have their babies, the post-partum parent support program will provide assistance by linking mother and babies with appropriate community resources.

The department's commitment to families is also exemplified in the nobody's perfect program. This co-operative effort with the provinces is aimed at young, single, low income parents who feel isolated, who lack support and confidence in their ability to raise their children. This program gives parents accurate information on their children's health, safety, development and behaviour.

Both of these programs include a component on sexuality and family planning to promote the importance of future planning and responsible sexual behaviour.

Because adoption is a necessary option for many parents, a study has been designed to explore means of increasing public understanding and to encourage adoption. The study began in April 1989 and will provide information on current trends and practices in adoption as well as what barriers and supports influence decision making by parents with unplanned pregnancies.

As just described, it is clear that there are many ongoing activities that concern teenage pregnancy. It is through concerted efforts such as these that we will influence change.

[*Translation*]

Mr. Jean-Luc Joncas (Matapédia—Matane): Mr. Speaker, the current patterns of unplanned and unprotected sexual behaviour have resulted in a widespread problem of sexually transmitted diseases. A co-ordinated effort by governments, health promotion, scientific communities, and educators can help achieve primary prevention of these diseases.

In 1988 the Department of National Health and Welfare established a division of sexually transmitted disease control and a national laboratory for sexually transmitted diseases within the laboratory centre for disease control. I think there is a continuing need for programming to combat sexually transmitted diseases, especially in adolescents and young adults, the groups with the highest rates of reported disease. The division of sexually transmitted disease control is working closely with provincial and territorial governments to improve surveillance activities, especially in the area of chlamydia infection. Chlamydia is the most commonly reported sexually transmitted disease in young women and is important because of its potential long-term consequences, such as pelvic inflammatory disease, ectopic pregnancy and infertility.

In 1986 the laboratory centre for disease control established an interdisciplinary advisory committee on sexually transmitted diseases in children and youth in particular. It has recently completed its mandate which included examining issues of sexually transmitted diseases and sexual abuse among children and youths, conducting comprehensive research at a national level, advising on sexually transmitted, disease education and treatment, and making recommendations with respect to the development of public education and health promotion programs, one of the major undertakings included the establishment of Canadian guidelines for the diagnosis and management of sexually transmitted diseases in children, adolescents and adults. These guidelines were published in 1989, were widely distributed and have been extremely well received and implemented in the health field.

The Bureau of Communicable Disease Control has dedicated $450,000 for five years to fund research in the area of sexually transmitted diseases. Recently two professional schools were funded for research that will study sexually transmitted disease education currently being provided within universities.

The outcome of this research will be published in academic journals and will be another step in the fight against sexually transmitted diseases. The Canada youth and AIDS study has implications for all areas of sexual health.

• (1750)

A secondary analysis of the Canada youth and AIDS study of college and university students was funded and the findings published in June 1990. Analysis of the data revealed that many students are engaging in high risk sexual behaviour, despite being quite knowledgeable about safe sexual practices. Of particular concern was the finding that among college women, as the numbers of partners increase, there is a parallel increase in the use of oral contraceptives, but condom use declines.

Another secondary analysis in process will compare street youth, school dropouts, and grade 11 students. All of these studies that the government has supported have direct application to the primary prevention of sexually transmitted diseases.

An expert working group sponsored by health and welfare is currently developing national guidelines for sexual health education. The impetus for this project arose from a recommendation of the expert interdisciplinary advisory committee on sexually transmitted diseases in children and youth and will fulfil one of the recommendations made by the federal, provincial and terr□Bitorial working group on adolescent reproductive health. These guidelines will be addressed to multi-sectoral groups implementing sexual and reproductive health programs. The guidelines will enhance the knowledge base of community workers and will assist with the development of sexual health educational programs in schools, in the work place, and in communities. These guidelines will also promote the comprehensive approach to sexual health as an important principle.

The recently published "Sexually transmitted diseases" pamphlet is an educational tool available for teenagers, parents and service providers. This pamphlet was a collaborative effort within National Health and Welfare and with the sexually transmitted disease directors from the provinces and territories. It describes the types of sexually transmitted diseases, as well as ways to prevent and treat them. The pamphlet will be distributed across Canada to school boards, public health agencies and organizations involved in sexual health education.

In another area the royal commission on new reproductive technologies is examining not only reproductive technologies but is placing a strong emphasis on the prevention of reproductive health problems, including sexually transmitted diseases. The final report is due in october 1992. The recommendations will have important Implications for sexual health education.

Research in the area of sexual and reproductive health is an essential component of program planning and of implementation for governments, voluntary agencies and community groups. In turn, improved services and better information will help to reduce the incidence of teenage pregnancies, unintended pregnancies, sexually transmitted diseases, and can lead to healthy sexual development.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I rise today to speak to Motion No. 44 put forward by my hon. colleague. To put the debate in perspective, I would like to read the content of this motion, and I quote:

> That, in the opinion of this House, the government should consider the advisability of taking action to reduce the numbers of unwanted pregnancies in our society by reinstating a Family Planning Division at Health and Welfare Canada; reinstating funding to the Planned Parenthood Federation of Canada at its previously adequate levels; establishing new programs to combat sexually transmitted diseases and unwanted pregancies; establishing a national clearing-house on family planning; and increasing funding for research on safe and effective methods of birth control.

The motion tabled by my colleague from British Columbia is extremely important considering the present situation in our society. Let me give a few examples of problems of sex and sexuality among young people today.

First of all, at least one out of five 14-year-olds and 50 per cent of young Canadians 16 years old and over are sexually active. This means it just is not true to say that young people are not interested in sex or sexuality. They

are already sexually active. One out of five 14-year-olds and half of our young people 16 years of age and over are sexually active.

Among teenage girls, one out of five will become pregnant before the age of 20. Imagine, Mr. Speaker, before these girls are 20, one out of five will be pregnant. This is incredible. We always think this is something that happens to other people, to those who did not get a good education, to people who are stupid and do not understand. Not at all. It can happen to anyone. One out of five of these young girls will become pregnant before they are 20 years old.

We could also talk about sexually transmitted diseases. Here again, people tend to think it only happens to people who are stupid or sexually promiscuous. We always think it will not happen to us. But do you know how many people are affected by STD today? One out of 100? No. One out of 50? No. One out of 25? No. When I saw the statistics on people affected by what used to be called venereal diseases but are now referred to as sexually transmitted diseases, I was astonished.

In Canada, one person out of eight is affected by STD. One out of eight is a lot. It is not just people who are stupid or ignorant. It is not just the poor. Just talk to our hockey players today. They are pretty worried. This is something they cannot—

Ms. Black: Talk to Magic Johnson.

Mr. Edmonston: That is something they cannot skate around, because there are no two ways about a sexually transmitted disease: either you have it or you do not. Talk to Magic Johnson. Talk to the athletes, the guys who look big and brawny, and I am sure that with all the money Magic Johnson made and all the girls he met, today he is sorry. He is sorry now. He happens to have a sexually transmitted disease called HIV positive, which most people call the first stage of AIDS.

• (1800)

Mr. Johnson is not poor, and he is not stupid. Today maybe he thinks it was stupid to forget to wear a condom. Sure. This was one of our most respected and nicest athletes, someone we could call a role model. Some role model. This is exactly why we desperately need to educate people.

Instead of doing what the Liberal Party did and gradually cut grants to family planning organizations, we should increase those grants. It is not a matter of educating people about a subject they can choose to ignore. It is a matter of life and death. It is a matter of being sick or not. In the case of girls who become pregnant, it is a problem that concerns future generations. Do we want to people the earth with unwanted children? Come on. Do we want to people the earth with children who will be abused because they were never wanted by their mothers? I do not think we do. To some extent I respect people who say: "I am against abortion. Abortion is terrible, and I cannot condone it". I respect those people because we must respect the opinions of others.

A mature society should give information on family planning to people who want that information, and that is what we are trying to do with this motion.

Madam Deputy Speaker: I am sorry but I must interrupt the hon. member.

The time set aside for Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

THE ECONOMY

Mrs. Coline Campbell (South West Nova): Madam Speaker, on October 1, 1991 I asked the Minister of Finance if he was going to abandon the high Canadian dollar policy that is hurting so many of our primary industries. I asked this because I had just learned that the Rio Algom tin mine, the only tin mine in North America, would have to close.

I had just received a letter from the president of Rio Algom who blamed the decision to close the mine on "the ongoing problems of the international tin market and the strong Canadian dollar".

This was just one more company in Canada that was closing because of a strong Canadian dollar compared to the American dollar. It is simple economics that every cent our dollar goes up in relation to the U.S. dollar makes it more difficult for our exporters to obtain a return for their product in the U.S. or international market.

In November 1985 our dollar stood at 72.7 cents U.S. This was at the height of an economic boom, the likes of which this country had not seen for a long time. Today, thanks to this government's policy, it is at 88 cents U.S.

Average Canadians know what this government's policy of a high Canadian dollar means. Just ask the 220 tin mine workers who will be out of work in January. Just ask 330 Dominion Textile workers in Yarmouth who lost their jobs last June. Just ask fishermen and processors in southwestern Nova Scotia who have to cope with decreased quotas, dockside monitoring and a high Canadian dollar to try to sell their product.

Look at lobster fishing where costs have gone up over the last year. The dollar has gone up over last year and the price has gone down over the last year. How can we expect our primary industry to compete in the American or international markets as our dollar goes up? Just ask anyone who works in the primary industries what a high dollar has meant. Ask the local businesses which are going out of business what it has meant.

The minister will answer tonight as he answered my question that day. He will talk about having lowered the interest rates. At this point lowering interest rates does very little to stimulate the economy through increased investments.

As reflected in the narrow spread between the bank rate and the prime rate, there is very little demand for new loans for two reasons. Businesses are not making any profits and individuals are too concerned about keeping their jobs even to think about making investments.

However, a fall in interest rates accompanied by a devaluation of the dollar will do a great deal to boost export performance. This is what the government should be looking at and trying to accomplish.

More people are unemployed today than a month ago. A substantial percentage of the unemployed have been without work for over a year. This is something that Canada and Canadians should not accept. This is not what Canadians expect from a government. It is certainly not what Canadians should have to put up with.

This is just one more lesson for the government on how its suicidal high dollar policy in the wake of the free trade agreement has decimated our Canadian industrial base.

We cannot have a high Canadian dollar and expect to compete with the U.S. but the minister goes on saying the high dollar is not a deliberate policy and he will not give Canadians a strategy to lower the Canadian dollar to help our exports, to help our primary products and to help our industries.

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Madam Speaker, I would like to advise the member for South West Nova that the government does not have a high interest rate policy. It is quite the opposite. The policy is geared to achieving durable lower interest rates through reducing inflation, as she probably knows.

Our policy we believe is working. As inflation pressures have eased in recent months, interest rates have declined in step. Short-term interest rates are more than 625 basis points lower than at their peak last May. Interest rate declines will continue and they will be sustainable.

Let me turn now to the exchange rate which she speaks of. There is no target or target range for the dollar. The exchange rate is determined by market forces. I think the member knows that but is just causing a bit of mischief.

The relative value of our dollar is affected by many factors, not just interest rates, such as inflation performance and prospects, investor confidence in the economy, international and political and economic uncertainty and the borrowing practices of Canadian businesses and governments. These can all affect the dollar.

It is clear that the Canadian interest rates are no reason for the increase in the exchange rate over the last year or so. Provincial government borrowings and international uncertainty are contributing to the dollar. They played key roles in the value of the dollar. Provincial governments placed $10.9 billion in new debt issues in the foreign financial markets in the first half of this year. This is double the amount that was placed in all of 1990.

Political uncertainty also affects the dollar. The problems in the Soviet Union, the Middle East and elsewhere have meant increased demand for safe haven currencies. This has produced a shift by the European and Asian investors into the North American market.

While the exchange rate does affect our competitiveness, the root cause of the deterioration in our competitiveness, is the more rapid increase in wage costs and the slower increase in productivity in Canada than in our major trading partners.

Mrs. Campbell (South West Nova): A zero per cent increase.

Mr. James: Lasting improvements in our competitiveness can only come through improving productivity and controlling domestic costs. Attempting to improve our competitiveness by lowering the dollar through inflationary monetary policy would provide at best temporary gains and would be ultimately self-defeating.

• (1810)

MEME BREAST IMPLANTS

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, on September 26 I rose in the House and asked the Minister of National Health and Welfare if he would require manufacturers of breast implants to provide information to breast implant patients just as the American food and drug administration was doing in the United States.

The other thing I raised was that the deputy minister had stated publicly it was not necessary. The minister in responding said he was informed the day before by the deputy minister about the U.S. directive to the implant makers and he said he would ask the same thing of makers of implants sold in Canada.

In a supplementary question I asked the minister if he would also do something about the booklet that had been produced and which the minister referred to in his first answer about breast implants by the breast implant industry, the Canadian Quebec Association of Plastic Surgeons, the Canadian Society for Aesthetic Plastic Surgery and the government. It stressed two things.

First, the booklet was not totally clear. It was a whitewash of the whole question of implants. Second, in our view it was inappropriate that the industry should be involved in the production of this booklet.

The minister responded by saying that he looked forward to me agreeing with him that the information should be provided. I had already agreed with him on this. He went on to say that he felt it was important that information be provided to women regarding breast implants.

It is now December. I have had a letter from the minister saying that he intends to revise the booklet. I have asked that the booklet be revised in plain, understandable language for women who are considering breast implants, whether for cosmetic reasons or for post-mastectomy reasons.

It is very important to point out that the booklet the minister is planning on revising does not tell women about the life expectancy of implants. It does not tell women about the pain associated with the surgery for breast implants. Women are not advised of known side effects for implants. They are definitely not told in that booklet that there is a growing body of evidence that links silicone implants with possible auto-immune disease. There is definitely no information outlining to those women who have had cosmetic implants that discusses any of the concerns they might have regarding childbearing and nursing after the child is born.

The ministry has not written that booklet. I am urging that when the ministry does write a booklet it include these very important points. It must be written independent of the plastic surgery industry.

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Madam Speaker, the Department of National Health and Welfare has been in the forefront of providing patient information concerning breast implants for more than three years now. The department, in co-operation with plastic surgeons' associations, published a booklet on breast augmentation. This booklet is widely used by plastic surgeons and serves, in addition to the information provided verbally, to give

women contemplating breast augmentation precise information on its risks and benefits.

Health and Welfare Canada also provides this booklet in response to requests for information about breast implants.

To complement the booklet, the health protection branch will require that manufacturers of breast implants sold in Canada provide information for patients. Canadian and American women will receive similar information. Manufacturers have been advised of this labelling requirement through an information letter. These information sheets will have to be available 60 days from the date of the information letter announcing this change.

The information to be contained in these information sheets is very similar to that contained in the Canadian breast augmentation booklet.

In addition, working with the plastic surgeons' associations, the department will revise the present booklet to ensure that the information which it contains is current.

The breast augmentation booklet refers to a high level of patient satisfaction. In May of this year, the vast majority of callers to Health and Welfare's information line on breast implants said that they were satisfied with the results of their surgery.

Breast augmentation has been chosen by thousands of women in Canada. As with any surgical procedure, some patients can be expected to have post-operative problems. Risks exist, as in any human activity. The Department of National Health and Welfare wants to ensure that these risks are well understood by women contemplating breast augmentation. The final decision always rests with women in consultation with their doctors.

The department will continue to provide women with all available information and to ensure that the breast implants on the market meet current standards for safety and effectiveness.

[*English*]

Ms. Langan: Madam Speaker, under Standing Order 44, if I feel, and I do feel, that the parliamentary secretary has misunderstood my words I can rise on a point of order.

It would be most helpful if in future the parliamentary secretary were to listen to what the person speaking said and then responded to that and not something that is totally—

Madam Deputy Speaker: I have a difficulty right now because our rules say that I should not have accepted a point of order in the midst of the adjournment motion. This is the adjournment motion, which is what the late show is called. I should not accept points of order during this part of our debate.

I am sure the hon. member and the parliamentary secretary who replaced the Parliamentary Secretary to the Minister of National Health and Welfare could get together and ensure that the hon. member gets a satisfactory answer to her question.

[*Translation*]

IMPORTED CARPETING

Mr. Jean-Guy Guilbault (Drummond): Madam Speaker, I am pleased to rise this evening to pursue the question I asked in this House on October 4 regarding the launching of an anti-dumping investigation on carpeting produced by tufting machines made in or exported from the United States of America.

Following representations made by Mr. Yvon Hébert, president of *Tapis Venture Limitée* of Drummondville in my riding, I was pleased to guide Mr. Hébert and his business partners, Barry Husk and Bertrand Desautels, in their efforts to launch that investigation.

The complaint lodged by the Canadian Carpet Institute, whose executive director is Mr. Michael Kronick, contends that in 1990 the total production in Canada for that kind of carpeting was almost 54 million square metres, which translates into sales of $506 million on the domestic market and $37 million on the export market.

The Canadian market for the years 1988-89-90 clearly demonstrates that the absolute size of the market and the relative share of Canadian producers have narrowed tremendously during that period. The ten carpeting producers concerned in Canada, of which six are members of the Canadian Carpet Institute, support that complaint. Since 1988 the volume and value of imports

from the United States have increased, whereas the market share of imports from other countries such as Belgium, Mexico and West Germany has fluctuated around 1 per cent in terms of volume and value. Since 1988 the imports from the United States have increased by 12 million square metres, or $98 million. This is a 215 per cent increase over three years. In terms of value, the United States share has increased 190 per cent.

• (1820)

Following the complaint made last June 21, the study undertaken by the department has revealed margins of dumping from zero to 91 per cent. The goods imported into Canada at alleged dumping prices have had a direct impact on the sales and production of carpeting in Canada. Undervalued imports caused domestic sales to drop by 5 million square meters in 1989 and 10 million square meters in 1990. The Canadian market share of U.S. imports grew from 8 per cent to 28 per cent in 1990.

The strong price competition from carpets produced in the United States undermined the prices of Canadian carpets. In fact, the number of jobs in this manufacturing industry fell from 1952 to 985 between 1989 and 1990. We should certainly speed up the valuation process on this issue, in order to determine formally if there is dumping.

In order to prevent more job losses or plant closures, could the minister assure us that this inquiry will be done rapidly and that its results will be known shortly? As there is dumping and as sales, markets, production, prices, profits are dropping and jobs are lost, there are also plant closures. It is easy to blame the free trade agreement for all that, but commercial piracy will always exist. I believe that if the department really has the will, it can get more employees and work harder to complete this inquiry.

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Madam Speaker, I welcome the opportunity to provide the hon. member for Drummond with further details in response to his question in the House on October 4, 1991.

As the hon. member pointed out, on August 6, 1991 the deputy minister of National Revenue, Customs and Excise, ordered an investigation under the Special Import Measures Act of carpeting from the United States produced on tufting machines. The investigation followed a complaint filed by the Canadian Carpet Institute on behalf of Canadian carpet producers.

I can inform the hon. member that departmental officials are analysing information obtained from exporters and importers. This is a tremendous task, which includes calculating margins of dumping for thousands of types of carpeting exported to Canada by the various exporters.

The hon. member may be interested to hear that because of the large number of importers and exporters concerned by the investigation and the many different types of carpets for which the margin of dumping, if any, must be calculated, the duration of the investigation of the dumping of certain carpets producted by tufting machines has been extended from 90 days to 135 days, as provided by the legislation. The preliminary stage of the investigation may result in a preliminary determination of dumping or in termination of the investigation, if no evidence of dumping is found.

If the deputy minister makes a preliminary determination of dumping, departmental officials will start collecting preliminary anti-dumping duties on the imported goods and will refer the question of whether dumping causes material injury to Canadian carpet producers to the Canadian International Trade Tribunal. Departmental officials will pursue their investigaton for another 90 days and will them make a final determination. The CITT has 30 days more to reach its conclusions as to the material injury that might be caused Canadian producers by the undervalued goods. If the CITT concludes there is material injury, the preliminary duties in effect at the time of the preliminary determination of dumping will continue to apply as anti-dumping duties to all subsequent carpet shipments imported into Canada.

Finally, to ensure that the government does not take any inappropriate or arbitrary measures, the hon. member for Drummond may rest assured that the investigation will be completed as soon as possible and that the findings will be released at that time.

[*English*]

Madam Deputy Speaker: The Chair is very well aware of the importance of questions raised by hon. members and that parliamentary secretaries are trying to give answers as complete as possible.

Adjournment Debate

I must remind members on both sides that the new rules call for four minutes, and two minutes and not seven and three. We will be going past the time. I will let people go four and two. Please help whoever is in the chair during the adjournment motion.

EMPLOYMENT

Mr. Maurizio Bevilacqua (York North): Madam Speaker, on October 10 I rose in this House to ask the Minister of Employment and Immigration a very important question regarding the 1.5 million Canadians who are unemployed.

I asked the minister when the government would face reality and take all necessary steps to halt the deindustrialization of this nation and put Canadians back to work.

The reality I was speaking about was the reality of the unemployed in the current recession. Unlike past recessions, jobs that are being lost will never reappear. Factories whose doors have been shut will never reopen.

Unless this government fulfils its responsibilities, Canadians will be stuck with a decimated economy and economic structure. Another side of the sad reality is a youth unemployment rate of 16 per cent. That is 400,000 young people out of work.

This is the generation that, after all, expects to pay for its standard of living in the future. I wonder how it will do it while it stands in the unemployment lines of this nation today.

These realities seem to matter little to the minister. When he answered my question, he made a number of statements which I believe deserve to be closely analysed.

First, the minister said: "I do not know why he and his party and its cohorts in the other place fought Bill C-21 for so long". We fought Bill C-21 for two very good reasons.

As Liberals, we believe that the government has a role to play in helping the unemployed. Bill C-21 took the government out of the UI fund, leaving the entire burden to employers and employees.

Bill C-21 also made it more difficult for unemployed Canadians to qualify for unemployment insurance. Again, in these difficult times, Liberals believe in helping Canadians and not in abandoning them.

The minister also said, referring to the unemployed: "This year these people will get $1.8 billion more in training". That is incorrect. Last year the training budget was $1.4 billion and this year it is $1.8 billion.

From that it seems like the unemployed will get an additional $400 million instead of $1.8 billion. Even more, the modest figure of $400 million is questionable.

As the Canadian Labour Force Development Board pointed out, half of that sum will go to making up the $200 million that was cut out of the budget of the Canadian Jobs Strategy over the last two years.

Finally, even a $200 million increase is an illusion. The money that will be spent on training programs comes from the extra moneys that the government squeezed out of Canadians by increasing UI premiums and by tightening eligibility requirements.

In the end, we see the minister's statement of $1.8 billion more in training is not at all as impressive as it sounded. This case is a good example of this government's indifference toward training.

Between 1987 and 1990 federal expenditures on training as a percentage of the GDP fell from .19 per cent to .17 per cent. In 1988 the average Japanese worker received 200 hours of training. In Sweden it was 170 hours and in Canada it was less than seven hours.

If Canada wants to compete globally, we have to start moving in the opposite direction. The German electronics giant Siemens Electric has said that it would like to create 9,000 high-tech jobs in Canada but worries that this country will not be able to supply a skilled work force.

We will need those high-tech jobs to maintain the social programs and standard of living we have all grown accustomed to. To compete globally we must help unemployed Canadians and young Canadians get ready for the 21st century with a modern day, up-to-date training system.

• (1830)

The government fails to see that. Between 1985 and 1990, it cut the SEED program in half taking nearly 40,000 jobs away from young Canadians. The govern-

ment must draft a comprehensive training plan for Canada.

In conclusion, until it accepts that the future belongs to the country with the best trained and the most highly skilled work force and does something about that, Canada's future will be in peril.

I call on the government to do its job and provide us with a training master plan so that unemployed Canadians, young and old, can meet the challenges of tomorrow while addressing the reality of today.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Madam Speaker, on behalf of the Minister of Employment and Immigration I welcome the opportunity to provide additional information relating to the question raised by the member for York North on October 10 on the government's labour policies.

In 1989 the government introduced the Labour Force Development Strategy. Under that strategy the government has allocated $3.1 billion this year and $3.4 billion again in 1992 on training and adjustment programs for Canadian workers. That is more than $6 billion in the first two years.

These funds have helped workers and their employers improve skills and maintain and create stable and long employment rather than make-work projects.

In his recent report on Canada Professor Michael Porter, an authority on competitiveness, noted that the recent federal government initiatives to devote more resources to training the unemployed are moving in the right direction. Furthermore, the creation of the Canadian Labour Force Development Board earlier this year is a model of the partnership that needs to be developed in Canada if Canada wishes to remain prosperous in an increasingly competitive world.

As part of the government's prosperity initiative, on October 29, 1991 the minister of science and technology and the Minister of Employment and Immigration released two discussion papers, one on competitiveness and the other on learning, which are intended to stimulate a national discussion on the factors which affect our current and future prosperity.

This national discussion will be co-ordinated by a private sector steering group on prosperity and will involve all interested Canadians.

On the learning issues, the consultation will help identify gaps that may still exist in the area of human resource development and ways for all Canadians to address them co-operatively.

Past and current initiatives of this government demonstrate clearly the importance the government places on labour market policies to facilitate the adjustment process for Canadians and ensure a stronger and more competitive Canadian economy.

POVERTY

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, on November 21 I stood in this House and raised a question with respect to child poverty.

There were two parts to that question. The first one dealt with the social assistance payments that certain families receive. I was particularly concerned about single parents, most of whom are women, and their children. The second part dealt with child care support payments.

Let us look at the situation. There are roughly five million poor in this country, over one million of whom are children, and that is a rate that has grown over time. This year there will be 1.8 million people fed in food banks in this country and roughly 40 per cent will be children. That is a deplorable statistic.

The National Council on Welfare said in its report, *Welfare Incomes*, that a Manitoba single parent, most often a mother with one child to raise, is earning 3 per cent less today than that parent was earning five years ago. That same parent with one child to raise is living $9,000 below the poverty line. Can you imagine that? That is almost a salary in itself.

The government will say, and I can see it coming, that it spent more. Of course it spends more. There are more people who are poor. There are more people who are collecting. It will say that it increased certain payments. That does not take into account inflation. What help is that to that mother and those children?

I want to address the question of child support payments because it is one that was not at all responded to in my question. I was terribly disappointed. We know that these payment are inadequate. We know that they are paid late and sometimes not paid at all. We know that there is a default rate between 50 per cent and 85 per cent in this country. Those are people who do not pay or who pay late.

We know that those child care payments do not reflect actual child care costs either. We know that parents who pay out can deduct those payments from their income and those who receive the payment must declare it as income and pay income tax on an already very small payment. If you look at them all, they are in fact very small.

We know that the awards do not reflect actual costs, that they are not indexed to inflation and so the poor get poorer. Those are the poor moms and the poor children.

Studies indicate very clearly that children who are brought up in single parent families have more difficulties. They have more difficulties at school, sometimes in learning and in cases of discipline and more difficulties in getting student loans later on because of the delicate situation in which they find themselves.

Child poverty is most likely in Canada and in eight industrial countries, with the exception of the United States. I have been told that in this country today at this moment and as we speak there may be $1 billion—not $1 million—owed to parents because child care support payments have not been made.

[*Translation*]

For the love of children and their mothers, let us do something. We must react.

[*English*]

I will terminate with this. For the sake of the children and most often their poor moms, let us do something and let us do something now.

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Madam Speaker, I would like to respond to my colleague from St. Boniface. I know he has a very sincere interest in children and their rightful financial position in our country.

However, I would like to raise a couple of points about the use of the numbers in the report that he refers to which comes from the National Council on Welfare. It compares provincial assistance benefits and I bring this to his attention. First, he knows welfare falls under provincial jurisdiction, not federal, and the federal government therefore does not set the social assistance benefits. The province does that. The government, as he should know, contributes significantly to the provinces to help them meet these financial obligations.

These figures are pretty substantial. The federal contribution to the provinces in 1991–92 was estimated to be in the area of $6.4 billion. That is a lot of money under the Canada Assistance Plan.

Second, we think it is a bit misleading to compare welfare benefits with the statistics of Canada's low income cutoff points that were used because Statistics Canada itself denies that its low income cutoffs are poverty line. So we must be a little careful with that. These cutoffs are best used for making comparisons across time and across sections of the Canadian population, but not as a measurement of poverty.

Further, since 1984 the federal government has taken on a number of initiatives. The member opposite mentioned that we would talk about that. The maximum child tax credit payable in respect of a child has increased from $367 in 1984 to $585. He talks about inflation, but that is a 16 per cent increase after inflation is taken into account.

Further, a child tax credit supplement of $200 per child under the age of seven was introduced by this government in 1988 and low income families now receive about $1,000 of child benefits for every child.

A number of initiatives, new measures and federal–provincial shared programs have been introduced.

I would like to reiterate that this government has a commitment to children and families with children and that is why the Speech from the Throne announced that the government was reviewing its policies in relation to the family. To that end we will be making some new announcements, in which the hon. member will be interested, in the near future.

[*Translation*]

Madam Deputy Speaker: The motion that the House do now adjourn is deemed to be adopted. The House therefore stands adjourned until tomorrow morning at 10 a.m.

The House adjourned at 6.36 p.m.

HOUSE OF COMMONS

Friday, December 6, 1991

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

TRUST AND LOAN COMPANIES ACT

MEASURE TO ENACT

The House resumed from Thursday, December 5, consideration of the motion of Mr. Loiselle that Bill C-4, an act to revise and amend the law governing federal trust and loan companies and to provide for related and consequential matters, be read the third time and passed.

* * *

BANK ACT

MEASURE TO ENACT

The House resumed from Thursday, December 5, consideration of the motion of Mr. Mazankowski that Bill C-19, an act respecting banks and banking, be read the third time and passed.

* * *

INSURANCE COMPANIES ACT

MEASURE TO ENACT

The House resumed from Thursday, December 5, consideration of the motion of Mr. Loiselle that Bill C-28, an act respecting insurance companies and fraternal benefit societies, be read the third time and passed.

* * *

CO-OPERATIVE CREDIT ASSOCIATIONS ACT

MEASURE TO AMEND

The House resumed from Thursday, December 5, consideration of the motion of Mr. Loiselle that Bill C-34, an act to revise and amend the law governing co-operative credit associations and to provide for related and consequential matters, be read the third time and passed.

Mr. Cooper: Madam Speaker, I have just been informed that there have been discussions and there is an agreement to instead proceed very quickly with Bill C-5. I just want to confirm that, but that certainly has been my understanding, that we would proceed first with Bill C-5 and then go back to Bill C-4.

Mr. Angus: Madam Speaker, things are moving a bit fast. Having been party to those discussions, I was not aware that one of my colleagues who is scheduled to speak on the Financial Administration Act has a time problem. Perhaps I could ask both the government and the Official Opposition how much time they anticipate taking on Bill C-5—for myself, five minutes maximum—just so I can get a sense before we do agree to whether or not we have time to get into Bill C-20 before eleven o'clock so that my colleague can make his speech and then move back to his riding.

Mr. Gagliano: We have an objection to that. The minister is not in the House. Maybe we could start with the financial package. We also have one member who has to put some amendments who is not in the House. Maybe we can start as scheduled with the Order of the Day and agree that as soon as the minister is here and our member arrives, we can to go to Bill C-5 and finish with C-5 after lunch.

Mr. Cooper: Yes, Madam Speaker, I think that makes good sense and it shows the co-operation that all of us are trying to demonstrate in working with one another. Let us go back to Bill C-4.

Madam Deputy Speaker: Resuming debate on Bill C-4. We do agree on Bill C-4.

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, I appreciate the indulgence of the House in permitting me to proceed with my speech in order that I can attend to duties in my riding later on today.

This is one of the rare occasions in which I stand in this House as a member of the New Democratic Party oppo-

sition to compliment everybody involved with this bill, including government members and the government itself, on a job well done. It is a bill that is long overdue. The government, the finance committee and the civil servants involved in drafting the legislation took the time and had the understanding to incorporate in this bill what the people whom it most affects want to see in it. There were extensive consultations with the Canadian Co-operative Credit Society and other credit union organizations and these people were listened to. As a result, I think we have a bill that takes us a long way forward in the area of regulating credit unions and, in fact, giving credit unions new opportunities in this country.

This act applies to credit union centrals that are federally incorporated. Many of the major credit union centrals in this country fall into that kind of category. The B.C. Credit Union Central, Alberta, Manitoba, Saskatchewan, Ontario and Nova Scotia Centrals, are all federally incorporated and thus this Bill C-34 that I am speaking on this morning applies to them.

What it does is give credit unions a level playing field with other financial institutions. I know the concept of level playing fields, along with the concept of competition, and other words like that has been debased in some people's minds, perhaps by some misuse by the government, but nevertheless it is appropriate to note that what this in fact does do is give the credit unions a level playing field with other people who are in the financial services business. It has strengthened some governance provisions that will protect the members of credit unions, such as creating new procedures for handling conflicts of interest and self-dealings within credit unions to make sure that some of the unhappy experiences which have occurred in credit unions will not repeat themselves.

Also in legal terms, it vests credit union centrals with the rights and powers of natural persons which enable them to engage in activities which the previous legislation did not.

As well, it broadens their powers to diversify into other financial sectors through subsidiaries so that they can build the type of networks and services that are necessary to compete with other financial institutions that are operating in our country, both domestic and foreign.

Furthermore, it allows them to build up their equity base through the issue of preferred shares to non-members. Certainly the need to increase the equity that is available to many of the credit unions is absolutely essential if the credit unions are to play the role that is expected of them in the community and to realize their true potential.

I have been a credit union member since 1971. I have had very few dollars to put in the bank but those that I have had I have put in credit unions. I would hope as a credit union member that this particular provision would not cause a dilution in the control by credit union members of their credit unions and I know that is fully the intention of the credit union centrals that so badly wanted this provision in the legislation.

I want to compliment the government for listening to the credit union sector. As the co-operative critic for our party in the House of Commons this means a lot to me. I hope it creates a precedent because we still have the problem of the co-op retail sector trying to get the understanding of finance department officials with respect to the GST application and direct charge co-ops in the dealings between different levels of the co-op system. It really seems that the nature of the co-op system is not understood there. There is a longstanding problem with respect to the co-op housing sector which has never got the 5,000 houses per year which it was promised and which it was built up to handle.

There has been a problem with worker co-ops getting proper recognition under the new labour force development legislation. Worker co-ops are not given equal opportunity with other kinds of business organizations for which people might use those funds.

Then there is the problem of the prairie pools, which represent a vast number of farmers on the prairies, not being listened to when it comes to the formation of agricultural policy.

I hope this means that the careful attention and the really good understanding which were demonstrated with respect to Bill C-34 and the credit unions are indicative of a new government attitude toward co-operatives.

The co-operatives, and in this case the credit union sector, is a story of success. For example, a credit union like the VanCity Credit Union, which I believe the member to my left, the member for Mission—Port Moody might well belong to being from that area, is a

hugely successful venture which is not only a great credit union with huge assets but also one which has branched out into other successful enterprises and has created a foundation using its own capital to stimulate community development and to give a financial boost to those who are at the low end of the economic totem pole in our country and really need this kind of vehicle to help bring themselves out of poverty.

I should also mention the Saskatchewan credit unions and the Saskatchewan Credit Union Central. It should be noted that while many of the banks, in fact I think all the banks, are contracting their services in Saskatchewan, especially in rural Saskatchewan, the credit union system is expanding to give a guarantee virtually that every community in Saskatchewan will have financial services through their credit union system.

• (1020)

There is my own credit union in Prince Albert, the caisse populaire in Albertville, and the new Buffalo Narrows Credit Union in northern Saskatchewan, where the need to find ways to accumulate capital and do business in a remote situation has been addressed by the local community by forming its own credit union.

There is also the Arctic co-operatives' venture into the credit union movement. We shall soon see a network of credit unions throughout the Northwest Territories which will be a model of how to accumulate capital and run financial services in remote areas.

I should also make note of the Desjardins Credit Union movement in the province of Quebec. It has shown that not only can the credit union movement have significant local impact but that it can become a major player in the economic development and the economic strategies of a whole province and region.

I will move on to speak a little more about credit unions and the role they have played in our society. People often envision credit unions as being church basement shoe box operations, perhaps somewhat quaint, antiquated and very friendly but somewhat limited. Although that is not true, it is the image that a lot of people have of credit unions.

Many credit unions did start that way and many of them carry on that way. It was an appropriate way for people with no money and no other resources to get started. It is also true that the credit unions have pioneered many of the innovations and advances in the financial services industry in this country which many people now take for granted.

For example, credit unions were the first financial institutions to introduce consumer loans. Consumer loans are now widespread and taken for granted but credit unions were the first to introduce them.

They were the first to introduce automated tellers in this country. They were the first to introduce daily interest savings accounts. Fifteen years ago, they were the first to introduce debit cards, which are just now starting to catch on in the general market.

They developed weekly and bi-weekly mortgage options more advantageous to wage earners and their other customers.

They have a strong tradition of direct assistance in helping their members to manage their money and of training them so they can get involved in the financial world. For example, the Rosetown Credit Union recently sold computers at a group rate to the local farmers in its community. The credit union's staff trained these people to use farm business management software packages to ensure they were able to manage every dollar properly during very tough times in the farming community.

Many credit unions have trained high school students in classrooms in the system of financial management.

The caisse populaire in Quebec has been quite innovative in offering a debit card system for prescription drug claims under the drug plan. That means that 2.5 million members only have to pay the deductible portion. Their insurance claims are handled by the debit card system through their credit union. This is a huge benefit to the members of credit unions in the province of Quebec.

Credit union centrals have taken on a new role. They are now undertaking social audits, as well as financial audits, to ensure that their policies fulfil societal obligations such as employment equity, service to visible minorities, and access for the physically disabled.

Again the credit unions are showing the direction in which the financial world and the corporate world as a whole need to go.

There is also a point to be made in looking at credit unions in the larger Canadian picture. Credit unions are

a sleeping giant whose true capacity to influence the Canadian economic system has barely been realized.

When we look back at the last several years it is quite clear that this government has decided for better or for worse that it is not going to enhance or ensure Canadian control of the economy by negative or punitive measures.

We have seen things like the dismantling of the foreign investment review procedures and the review board. We have seen the dismantling of the national energy policy and other mechanisms that were in place in order to ensure Canadian control of the economy. That is a choice that this government made. As an opposition member neither I nor the Canadian public has not been able to do much about it.

However, there is also a positive role that can be played by this government. In recognizing the role of credit unions through this particular piece of legislation perhaps the government is starting to realize the positive role that it can play. There is this financial sector in this country that is 100 per cent controlled and owned by Canadians where you can be assured that prosperity in that sector will accrue only to the Canadians. The money that is made through the co-operative and credit union system will not leak out through dividends or R and D payments or whatever interest payments go to foreign parents in other countries. The credit union system and the co-operative system keep their money at home.

I think this represents a challenge to many of us and to many people in this country who claim to be economic nationalists but have not seen the link between economic nationalism and the co-operative sector. I would like to challenge those people to get involved with the co-operative system, find out about it and put their money where their mouth is. This is something positive that all Canadians can do to ensure that the control of our economy and the development of our economy remain in Canadian hands.

A second feature of co-operatives that I think needs to be noted is the training and the ability that they give to local people to get involved in financial management and financial planning in their community. The credit unions have approximately 15,000 volunteers on their boards, as do the caisses populaires. That is about 30,000 Canadians who are learning about the financial system and how operations work and who are making financial decisions on behalf of their communities. This gives us a huge wealth of talent in our communities on which to base further economic development.

Creating a strong credit union sector also permits other co-operative sectors like co-op housing, co-op health centres, retail co-ops and worker co-ops to expand and prosper in their communities. It is very true that in many communities, certainly in the hinterlands and in the inner cities where big capital is fleeing, there are no other alternatives but the co-operative alternative toward capital formation and the creation of new jobs and opportunities in those communities.

This does not have to be small scale stuff we are talking about here. We are talking about ventures as big the co-op Enerco upgrader in Regina that grew out of the co-op refinery and with the involvement of the pools, the credit unions and federal and provincial governments, created a co-op upgrader that now permits the upgrading of the vast pools of heavy oil in that province so that they no longer need to go to Minneapolis, Minnesota, to be refined but can be refined in our own country with the type of value added activity that creates prosperity for all of us.

Credit unions as well are different from the banking institutions in the role that they can play in their local communities beyond just the financial role. I know when you talk to service organizations and different volunteer organizations in the local communities, they do not usually even bother going to the banks in their communities for donations for hockey trophies or different charities. Normally the banking institution or the huge institutions run their charitable contributions through their central offices. There is very little money if any that is available to be used in the local community.

The credit unions are not like that and the co-operatives are not like that. Co-operatives are there for local community enterprises. The co-operatives are there when it is time to pitch in to finance a community project, a community festival and the local arts or whatever. The credit unions are a community development tool that is of significant potential in many of our local communities.

I would like to sum up. The credit union sector offers us an alternative in the post-free trade economic world that we live in. It offers an alternative to local communities to ensure that the capital and the wealth that they generate in their communities stay in their communities for their own benefit. It offers an alternative to Canadian society as a whole which feels that it is losing its grip on its economic destiny.

• (1030)

I would like to compliment the government on this legislation. I would also like to say in conclusion that, in contrast to what my friend and colleague, the member for Nickel Belt, fears will happen with other financial institutions, we are not creating a new sumo wrestler.

The credit union system is not a sumo wrestler. When we give new strength to the credit union system we are creating a stronger team that is growing all the time. This is a situation in which when the team wins, we all win. All Canadians win when the co-operative sector gets stronger.

I would like to compliment the government and all who are involved with this bill in having the foresight to bring it forward.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, the hon. member for Prince Albert—Churchill River is to be commended for his speech and for having spoken so eloquently about the credit union system. I noticed that he said a great deal in favour of credit unions and then casually mentioned his *caisse populaire* in Albertville, Saskatchewan, and the *caisse populaire* in the province of Quebec.

I wonder whether the hon. member realizes that in Ontario, for instance, there is a huge *Fédération des caisses populaires*. Did he know that in Ontario the legislation regulating the *caisses populaires* applies both to the credit unions of Ontario and the *caisses populaires* of Ontario? Did he know a Mr. Desjardins from Lévis started the *Mouvement des caisses populaires* and, at the turn of the century, travelled across Quebec and Canada, and in Ontario visited the unions in Niagara Falls and Hamilton, for instance?

Did the hon. member know that in the National Capital region, on the Ontario side of the river, in Ottawa, we have *caisses* that are extremely solid financially, such as the *Caisse populaire Laurier* and the *Caisse populaire d'Orléans*? Does he know that in my own riding we have at least half a dozen caisses, each of which has deposits worth several million dollars? Their total deposits would probably be worth several billion. Does the hon. member know that the *caisses populaires* are not peculiar to Quebec or Albertville, Saskatchewan, but are established across the country?

In concluding, I want to congratulate the hon. member for his comments on both the *caisses* and the credit union movements.

[*English*]

Mr. Funk: Madam Speaker, I certainly appreciate the opportunity to pay special recognition to the caisse populaire movement in this country. The history of it has been of interest to me for a long time. My grandfather, as a matter of fact, studied co-operatives in Germany in the early part of this century. Our family has been involved actively in the development of credit unions for many decades.

As the member points out, the caisse populaire sector operates not only in Quebec but in many provinces. I personally have communication with ones in Ontario, Manitoba, Saskatchewan and New Brunswick. There are 1,400 caisses populaires in this country with 4.4 million members. They are huge. They have 34,000 employees and $44 billion in assets. In fact they are the largest non-government employer in the province of Quebec.

I do want to make special note of the caisses populaires outside Quebec—

An hon. member: And as in Essex County.

Mr. Funk: —and as in Essex County, as my colleague points out, and also in my own constituency. They are often the rallying point of the francophone communities outside Quebec which as we all know have often had to struggle to survive. Their caisses populaires have played a role not only as financial institutions but have been significant in cultural and community development.

I know from my own experience that while the credit unions were sometimes still grappling with their social role and their community development role, caisses populaires, at least in western Canada where I knew them, were going full speed ahead with community development staff as part of their staff complement. I think they were showing a real visionary approach and deserve real credit not only for the job that they do as financial institutions but for the way that they have

underpinned the francophone communities outside the province of Quebec.

Mr. Jim Karpoff (Surrey North): Madam Speaker, I appreciate very much my colleague's speech.

I come from Surrey which is one of the fastest growing areas in Canada. Of course we have one of the fastest growing credit unions, the Surrey Metro Savings, which has just recently changed its name from Surrey Credit Union. It is now the second largest credit union in Canada next to Van City. Its growth has been based on its community service such as the fact that it did extend mortgages to families in our community to allow them housing. It helped finance many small subdivisions by local builders so that local jobs were created under local companies.

It has certainly moved in the area of commercial loans so that people could buy new cars and extend renovations on their kitchens. These are all things that were locally going to assist.

The other point made by the member that I was particularly interested in was the involvement from the board. The board is made up of local residents and therefore it acts in what is the best interest of that community. That has been the strength of Surrey Metro Savings over the years that I have been a member. Regrettably, I may be one of the older members. I joined when I first moved to Surrey in 1967.

One of the real things that I would like the hon. member to comment on is the community control and how that varies so differently from the banks and trust companies and how that has benefited the community. They have focused on community businesses, community projects and on the needs of families within their membership.

Mr. Funk: Madam Speaker, I would like to thank the member for Surrey North for his very good question. I would also like to compliment him and the other people involved in the Surrey Metro Savings Credit Union for the excellent job they have done. As he says, they are the fastest growing credit union in the country. I had the opportunity to stop in at one of their branches this summer. Certainly you could tell by looking that it was an efficient and well-run organization.

I should also make amends for an omission that I made earlier in my speech when talking about the Van City Credit Union. I neglected to mention the ethical growth fund, which is one of the pioneering efforts in this country to channel investments through vehicles like RRSPs into areas where people care about these things. They care about ethical concerns like the environment, employment equity, labour laws and so on. They can be sure that their money is being invested the way they want it to be invested.

I would like to turn just briefly to the point that the member for Surrey North made. Certainly community control makes a huge difference and sometimes it makes all the difference. When he spoke about his own community he gave some excellent examples of where that was true. It permitted local people to control development in their area rather than to be inundated and flooded by big developers from outside the area. That means that almost in perpetuity that community will have been built by its own residents for the needs of its own residents rather than by outsiders.

When it comes to things like small business lending, which is important in my constituency and many others, credit unions make a huge difference. What happens unfortunately is that when there are some articles in *The Globe and Mail* that there are tough times and slow growth predicted in Saskatchewan, the head office of the Royal Bank or the Toronto-Dominion or whoever in Toronto says: "Whoops, we have got to pull in our credit and tighten our belts in Prince Albert, Saskatchewan, because there are tough times".

• (1040)

That means that perfectly viable companies suddenly have their lines of credit cut off. That means that the only people who can borrow money are those who do not need it, as the old saying goes.

On the basis of a few little articles in the paper, the whole financial structure of a community like Prince Albert, with 35,000 people, can suddenly go into decline as a result of a few head office decisions.

That does not happen with a credit union. The credit union knows the tough times and it can respond to the tough times. It can build up those it knows can pay and it can provide help and counselling to those in trouble.

In a province like Saskatchewan it is the credit unions and co-ops that are surviving in those communities in tough times, and there is a good reason for that. It is because they know how those communities operate and they have a commitment to those communities.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I want to begin by congratulating the New Democratic Party member for Prince Albert—Churchill River because I share most of his views toward co-operatives.

I am a member from an urban area where we do not have the real thrust and support of co-operatives in the manner with which rural members, and I think mostly members from western Canada, are familiar. I know that caisses populaires are very strong in the province of Quebec, and of course in Ottawa. However, in Toronto we seem to be surrounded by the five major banks. The basic reality, and I do not think my colleague the member for Mississauga South shares my view on this, that I tend to see, and I listen to my constituents, is that small and medium-sized businesses are constantly telling me that if they are turned down at the Royal Bank, chances are that is all for them. That is the end of the line. I do not just mean to say the Royal. If they are turned down at one of the five big banks, that is the end of the road.

Talking about the co-operatives today will hopefully provide some new competition and some new exposure to the co-operatives in the urban areas.

It is interesting that the member for Prince Albert—Churchill River talked about the sensitivity and the participation of the co-operatives in the community. I tend to share his view. This has happened to me directly. When you go into a local bank, a branch of one of the big five, and ask it to sponsor or participate in a particular event, and I am not talking about a political contribution here but anything from a child's baseball team to a single parents' event, the branch has to go to head office.

There tends to be an impersonal approach in the branches of the five major banks. Possibly, with the advent of this new thrust for co-operatives in the urban areas, we can get some competition going and those local branches will be given more entrepreneurial power.

It is not that the individual branch manager has the desire to be restrictive in his attitude. It is so often the central bank policy that limits his ability to move and react with the regional or local sensitivities.

Again, I congratulate my colleague from Prince Albert—Churchill River for his comments on the co-operative credit and associations act.

I want to briefly discuss the amendments to the trust and loan companies act. The government is doing a good thing by expanding the mandate and allowing them to have more opportunity to participate fully in the financial institutions' instruments arrangements that go on in our community.

As I said earlier, any legislation that we amend here which will promote a more vibrant competitive spirit among our financial institutions without jeopardizing the financial stability of our over-all financial system at large has to be applauded. Therefore, I commend the government for making these changes.

When I look at the Bank Act portion of this series of bills I get a little nervous because I do not really see anything substantive in this legislation that is really going to rattle the conscience or force a review of the procedures, systems and attitudes of the major banks in this country.

Again, I am going to report to this House the reactions I am getting from my constituents, and they are not just small businessmen. There are some large businesses. They feel that when times are tough and strained as they have been in this country in the last 16 months, our major financial institutions seem to be drawing in on credit lines and seem to be restrictive in their tone, attitude and actions. This is precisely the time when our corporate strength in this country, which is ultimately responsible for our job creation, needs that added support.

I realize the member for Mississauga South has added an amendment for consumer complaints. I think that is a good thing. I wish there was some way we could let the people of Canada know that this new consumer complaints amendment is part of the new Bank Act. It means that if a customer of a bank, whether an individual or a business, believes that he is not receiving proper and fair professional service from a financial institution, he can

report this experience to the Superintendent of Financial Institutions who upon verifying this complaint is responsible for listing it in the Superintendent of Financial Institutions' report.

I believe that is a good measure. It is a warning light to the major banks. I am concerned about how many of the 900,000 entrepreneurs in this country would know about that amendment. I urge the government and the member for Mississauga South to consider ways to make that particular amendment to the Bank Act more widely known. It would add a lot of credibility to the over-all thrust and basic intent without jeopardizing the financial stability of our financial institutions. At the same time, it would bring them into some form of public accountability.

We as members of Parliament cannot check up on every complaint that comes to us from an individual or a business that does not feel it is getting a fair shake from its local, regional or central banker. However, I think that these banks might be a little more reflective in dealing with their clients if they knew full well that their name could be listed in the financial report of the superintendent of banks.

• (1050)

I want to say to the banking community of this country that we are going through a particularly difficult time right now. A lot of people in the community do not understand the reason we have the lowest interest rates we have had in 18 years. The headline in one of the newspapers today was: "Bank rate lowest in 18 years". That sounds good and inspires a little bit of hope. However, I realize that the only reason it is so low is that our economy is dragging so much. The member for Mississauga South has so rightly indicated the two-edged sword that it symbolizes.

However, I want to advise the people operating financial institutions to be careful not to mislead the public, because other than mortgages it seems that the 8 per cent bank rate is almost like false advertising. I am hearing from many businessmen that the bank rate is at 8 per cent but lines of credit or new loans for emerging businesses are very tough to get.

The member for Mississauga South shakes his head in disagreement with me and I know he will speak a little later. If he can provide some new and different hope that will suggest otherwise, the 900,000 entrepreneurs in this country will welcome it.

If there is one thing I would say to the lobbyists who tend to orchestrate this banking legislation and to the agents of the bankers, and the bankers themselves, it would be that this country is going through a very difficult and trying time. We realize that because of some rather large leveraged buyouts that have failed, some large real estate loans that have gone into default—some of them in the billions of dollars—and some massive refinancing packages out there, their capital has to be reviewed and examined very closely these days. As a result they tend to be a little less progressive with some of their smaller individual loans. Somehow the banking institutions have to cushion this period that we are going through. Otherwise, I am afraid that this so-called recovery, which I cannot quite see or feel yet, is going to be a lot longer than any of us in this House really want.

The attitude of all our financial institutions can go a long way in creating a kind of hope that will send confidence to the community and get consumers spending again. That will ultimately put our retailers in a more active state.

I am a little nervous that if over the next two to three weeks, which is a natural spending period, we do not somehow get more aggressive spending occurring then the first two months of the year are going to be lonely and tough for a lot of retailers in this country. Even in good times it is natural that there is a curtailment of spending in January and February. As a result of this apprehension with the general state of our economy, the natural Christmas spending patterns are off dramatically. By the way, banks are partially responsible for that.

There are a lot of businesses that continue to hold back on their own spending. Whether it is equipment or hiring practices, they are saying they will wait until spring, and that in turn causes a chain reaction which affects the entire marketplace.

The banking institutions of this country, the financial institutions of this country, can go a long way in the next two to three weeks in making sure that the first quarter of next year, which will be tough and is usually tough in the best of times, is cushioned by letting the economy heat up for the next three to four weeks.

I want to finish off by saying that like the New Democratic Party I support these amendments for the co-operatives. I support the amendments for the trust and loan companies. I applaud the member for Mississauga South for putting the amendment on the consumer complaint section.

I want to finish off by saying to the major banks of this country to go easy, deal in hope for the next three to four months until we get ourselves back on track in terms of a better economic strategy.

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, as always the hon. member makes very meaningful representations in this House.

Right now many of my constituents and I am sure many of his are doing a lot of Christmas shopping and pulling out their credit cards. He talks to a lot of bankers and so on. I wonder if he could explain to this House why there is such a spread between the going interest rate and such a high interest rate on the credit cards. Credit cards in a way are a loan also and you are buying on credit.

Why is there that fantastic spread which is hurting so many Canadians?

Mr. Mills: Madam Speaker, I thank my colleague, the member for Parkdale—High Park, for his question. Being a member from Toronto, he feels right now the nervousness of the consumer and the difficulties that many of his small businesses are having. I know that along Bloor Street, which is right in the heart of his riding, there are many stores feeling very nervous about the up and coming season.

One of the reasons the consumers are not really being aggressive is because they feel these credit cards are becoming a real gouge. We had a private member's bill in this House earlier this week. I believe it was on Monday or Tuesday. It was put forward by the member for Mississauga South, the chairman of the finance committee on the government side. He put forward a private member's bill asking his government to amend the action that we have going with the credit card system in this country right now.

He and other members put forward logical arguments why those credit card rates could be reduced substantially with absolutely no danger to the financial institutions. We went through a litany of companies and their profit performances even in the midst of this deep, deep recession. I say to the member that there was no danger of these credit card companies' balance sheets being weakened.

There is absolutely no reason at all. There is another argument and I checked with American Express on this particular issue about three weeks ago because I am hearing this argument from all my constituents too. American Express said: "We need to have these high rates because in bad times we have a lot of credit card loans in default, so we need to have the high rates to cover those defaulting cards, the cards that collapse".

• (1100)

I checked with my colleague, the hon. member from Dartmouth, Nova Scotia. He did some extensive research on this, being our critic for consumer and corporate affairs and he said that was bunk.

There is absolutely no reason why the government could not have accepted the private member's bill of the hon. member for Mississauga South that was put on the floor of this House this past Monday. The government will have to answer for that sort of haphazard, lack of caring approach in the next election.

Mr. Phillip Edmonston (Chambly): Madam Speaker, what we are dealing with here is a number of bills. We are looking at the government getting its financial house in order. The hon. member for Nickel Belt spoke extensively about the ramifications of these financial reorganization bills. My fellow colleague from the NDP who spoke earlier this morning talked about the co-operative aspect, the caisses populaires, how parts of this bill are very good.

On the other hand, the hon. member for Nickel Belt spoke on how this was actually a bill that was in some respects working against Canadian interests. As a matter of fact, the member for Nickel Belt likened it to a cauldron with a wizard who was stirring it up and would not allow us to put anything into the brew in that cauldron that would be of great benefit to consumers. By saying there could be nothing added, what we have is a bill that makes some very minor improvements as far as consumers are concerned but just opens up a tremendous advantage in many areas for the corporate sector.

It is interesting to note that the hon. member for Nickel Belt, and I agree, said that up until the introduction of these bills we were looking at financial institutions being regulated in a sort of symphonic harmony

where we had the government as the leader of the orchestra. I will get into that further as we go along.

[*Translation*]

Madam Deputy Speaker: I will have to interrupt the hon. member who may, of course, continue later on. It being eleven o'clock, we shall now proceed to Statements pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

RECYCLING

Mr. Ross Stevenson (Durham): Madam Speaker, with the demand for municipal land fill sites reaching the crisis stage in many urban areas and dumping costs at an all-time high, it is time to take a serious look at our household waste and sewage residue and see if it can be recycled for agricultural use.

Blue box programs have succeeded in separating glass, metal and plastics from municipal garbage, and what is left is largely biodegradable. Lab tests allow us to determine which sewage sludge is safe for putting on the land. This could be composted with leaves collected in our cities each autumn, and all of this could provide an excellent source of organic matter and nutrients for farming.

This offers us a win, win, win situation for saving money, significantly improving our environment, and for developing a self-sustaining food production system.

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VIOLENCE

Mr. Maurizio Bevilacqua (York North): Madam Speaker, today marks the second anniversary of the Montreal massacre. Two years ago, 14 young women were murdered by a young man who blamed his personal failure on ambitious, confident women. His viciously single-minded attack on those 14 women at Ecole Polytechnique is unparalleled in modern times.

Today is also the last day of the white ribbon campaign. For the first time ever, men everywhere are accepting that the only way to stop the war against women is if every man gets involved.

Finally, today we have a new gun law in this country. After a great deal of debate, we have a piece of legislation that will make it more difficult for people to kill other people. Now we must take the next step. We must begin to educate the next generation of men so that it is a unanimously accepted fact that women deserve the same kind of respect as men; at home, at work, on the street, and in every field of human activity.

* * *

[*Translation*]

HONG KONG VETERANS

Mr. Jean-Luc Joncas (Matapédia—Matane): Madam Speaker, 50 years ago today, 1,975 Canadians were about to experience the horrors of war. They took part in the defence of Hong Kong, and as we know, there was no hope of being able to repulse this attack by the Japanese which came after Pearl Harbour.

Until Christmas Day, 1941, 290 Canadians died while trying to stand firm against the attackers. In addition to these casualties, many more Canadians died as a result of the brutal treatment they received as prisoners of war.

Canada has done what it could to compensate these valiant soldiers for what they had to endure. In fact, largely as a result of this experience, Canada became the first country to develop a major compensation program for former prisoners of war.

This government introduced legislation to ensure that they receive all the benefits to which they are entitled, both as a result of their war disability and for the time they spent as prisoners of war.

Programs and benefits will never really compensate the Hong Kong veterans for the horrors they experienced.

Next Sunday, members of the association of Hong Kong veterans will—

Madam Deputy Speaker: I am sorry to interrupt the hon. member, but his time has expired.

* * *

VIOLENCE AGAINST WOMEN

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, today is the second anniversary of the massacre at the Montreal Ecole Polytechnique, a terrible tragedy, and it is a reminder of the long way society still has to go toward solving the problem of violence against women.

One of the themes after the massacre was: First, we must mourn, and then we must make sure this will never happen again. Although we are still mourning this tragic event, Canadians must start taking the necessary steps to fight violence against women. Men must understand that no is a clear answer. Men should object to sexist behaviour. Men should reject pornography. Finally, men should listen to women.

I hope the federal government—

Madam Deputy Speaker: I am sorry to interrupt the hon. member, but his time has expired.

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[*English*]

THE ECONOMY

Mr. Garth Turner (Halton—Peel): Madam Speaker, many of my constituents are fed up with the process of constitutional renewal because it does not seem to be addressing what concerns most of them, and that is the economy.

This perception is not entirely warranted because among the government's 28 proposals are suggestions to strengthen the economic union in Canada and also to remove costly interprovincial trade barriers.

Maybe we ought to go further. Perhaps the Canadian Constitution should include a clause which would make it against the law for the federal government to run a budgetary deficit.

Deficits are nothing but deferred taxes and Canadians are taxed to the max right now, so I rise to urge the parliamentary committee now studying the government's proposal to give serious consideration to a no deficit clause. This could be our greatest gift to generations of Canadian taxpayers yet to come.

* * *

VIOLENCE

Hon. Roger C. Simmons (Burin—St. George's): Madam Speaker, before that senseless massacre in Montreal two years ago, I had seen incidents of violence against women as lamentable but I had felt helpless to play any meaningful part in the solution to the problem.

That terrible event and the public debate that followed made me focus on a brutal reality. It is society, our society, my society, which creates the Marc Lepines of this country and this world. We must change society.

What better place to start than with children. The Montreal based organization Coalition Against Violence in Children's Programming said in its recent publication:

> If, through television, film, and toys, we glorify violence, we can expect that, every day, he will play war, a real or imaginary war that will carry over to the home, the classroom and the neighbourhood.

Today we reflect on those 14 young women and their deaths. We reflect on 130 Canadian females—

Madam Deputy Speaker: Your time has expired. The hon. member for Don Valley East.

* * *

THE CONSTITUTION

Hon. Alan Redway (Don Valley East): Madam Speaker, for many weeks during this past summer the government debated its constitutional proposals behind closed doors. According to the media, there were some disagreements.

• (1110)

The final package deals with many, but not all of the concerns that were identified by the Spicer commission. Now all Canadians are discussing and debating these issues openly.

Hopefully the government is prepared to consider and accept not only constructive amendments to its proposals, but other constructive proposals as well, perhaps the proposals already debated and rejected without public input behind closed cabinet doors. After all, the Constitution must express the goals and the values of all Canadians, not just those of the government.

The bottom line is a constitutional consensus a majority of Canadians can live with.

* * *

VIOLENCE AGAINST WOMEN

Mr. Jim Karpoff (Surrey North): Madam Speaker, today is the national day of remembrance and action on violence against women.

The white ribbon, which many members of Parliament have been wearing this week, has very quickly become the symbol of this day. Just as we wear the poppy to commemorate the many who died in war, the white ribbon symbolizes our continued effort to remember and act against violence against women.

The New Democrats very much regret that television networks, including the CBC, CTV and Global, are forbidding on-air personnel from wearing the white ribbon. It is important that everyone, especially men who must bear the responsibility for violence against women, have the opportunity to participate in this act of remembrance.

I ask the networks to review their decision and give their own on-air employees the right to wear the white ribbon which speaks out clearly against violence against women.

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CROATIA

Mr. Ken James (Sarnia—Lambton): Madam Speaker, I rise first in recognition of Joe Maric, Peter Matuzich, Tom Vlasic, Goran Ivanic and Drago Bigec.

Canadian Croatians from my constituency of Sarnia—Lambton came to Parliament Hill this week to express their concerns for Croatia. They came to Ottawa to demonstrate their desire for a stop to be put to the violence and bloodshed in Croatia.

I believe that Canada should note the European Community's condemnation of the Yugoslavian army's indiscriminate targeting of Croatian civilians and institutions.

We should be ensuring that our federal government is not supportive of any army's aggression that seems to be doing so to perpetuate itself.

All Canadians should heartily approve of the Government of Canada's backing of a UN peacekeeping force to go to Yugoslavia. Our troops are ready.

Canada should also do everything we can to ensure there is full compliance by all parties to a future agreement so a UN peacekeeping mission can be sent to Yugoslavia.

Also, we should all hope that the conditions which will allow Canada's recognition of the independence of Croatia, as noted by our Secretary of State for External Affairs, are met as soon as possible.

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[*Translation*]

VIOLENCE AGAINST WOMEN

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, today I would like to draw the attention of the House to the tragic events that occurred exactly two years ago at the Montreal *Polytechnique*. It is a dramatic reminder of the daily violence against women in our society.

Psychological, verbal and sexual abuse are harder to detect. However, domestic violence has several faces, and it could not continue to exist without a form of social violence. Social violence is structural and institutional. Prejudice against women and the transmission of stereotypes which see women as subject to male power, tend to keep women in a state of dependence. Domestic violence is found at all levels of our society, in all age groups and all income brackets.

Forty per cent of battered women are attacked for the first time during pregnancy. We cannot remain silent. Together we must fight violence in our society.

Madam Deputy Speaker: Unfortunately the hon. member's time has expired.

* * *

[*English*]

VIOLENCE AGAINST WOMEN

Mrs. Louise Feltham (Wild Rose): Madam Speaker, today represents a significant milestone on the long road to a violence-free society for women. On this national day of remembrance and action on violence against women, we should take this opportunity to pay tribute to the lives of 14 innocent victims. It is important for every Canadian to reflect on the deaths of those young women and ponder their own attitudes and actions in relation to violence against women.

We must now look to the future and I believe our government has by putting in place the following initiatives: The federal response to the committee report

"War Against Women"; the Canadian Panel on Violence Against Women; gun control legislation; the 1991 federal family violence initiative; a network of research centres on family violence and violence against women; and the hon. Minister of National Health and Welfare's announcement this morning of a joint initiative—

Madam Deputy Speaker: Unfortunately the time has expired.

* * *

UKRAINE

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, it gives me great pleasure to take this first opportunity since my return from Ukraine last night to rise in the House today and offer my sincerest congratulations to the citizens of Ukraine on their new-found independence.

It was certainly heart warming to hear the overwhelming gratitude of the Ukrainians for Canada's involvement in this peaceful and democratic process. Indeed, independence was gained, not through bloodshed but through a peaceful expression of the will of the Ukrainian people that serves to strengthen this achievement.

Over 90 per cent of the Ukrainian electorate freely voted for independence.

The history of Ukraine overflows with centuries of war, tyranny and persecution at the hands of its oppressors. Nevertheless, the flame of hope and freedom continues to burn brightly in the hearts of its people.

I am deeply honoured to have witnessed such an incredibly historic event. Indeed, there is much to celebrate both in Ukraine and here in Canada. Canadians must certainly be proud that our government was one of the first to decide to recognize Ukraine's independence. But our role is not yet complete. Diplomatic relations must be extended immediately. The Ukrainian government needs our assistance now to sustain its democracy.

Madam Deputy Speaker: Unfortunately, the time has expired.

S. O. 31

VIOLENCE AGAINST WOMEN

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, violence against women in our society goes far beyond brutal beatings and vicious murders. As we pause today to remember the 14 women who died in an unbelievable massacre in Montreal, we must include in our thoughts what their deaths symbolize.

They symbolize for many women a lifetime of anxiety and fear, a lifetime of consciously and unconsciously being worried on the streets, in parking lots, in malls and in our own homes, a lifetime of making sure that we take the safe route, have the right locks on our doors, have someone accompany us to our cars.

Now added to our fear of being attacked by strangers, we are being told that most women who are victims of violence and death are victims of the men they love. Surely Canadian society has to pause today and reflect about how we come to find at least half of our population living in fear.

We must, as Canadians, ensure that among the freedoms we enjoy in a democracy must be the freedom from fear of violence.

* * *

MINORITY RIGHTS

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, as our constitutional dialogue progresses I remind the Prime Minister that minority rights and minority language rights must be protected.

The need for watchfulness is real. Quebec still has Bill 178 which remains an offensive act to all of us seeking freedom of expression as a right. I say to Premier Bourassa as I have many times: removing Bill 178 will tell all Canadians they are at home anywhere in this great land, speaking and communicating, either inside or outside, in the language of their choice. A so-called softening of 178 will not do. Remember, most ordinary Quebecers across our province agree with this view and are not so mean spirited.

With reports that Mr. Bourassa's party will review the shameful French only sign language this weekend, I ask the Prime Minister to send this signal to Quebec City:

Now is the time to withdraw Bill 178. You advance neither society nor its majority by diminishing the rights of the minority, whether this means protecting the right to speak English in Quebec or fighting the perception around the world that we are a racist or bigoted society.

[*Translation*]

Wipe Bill 178 off the map of Quebec. Long live free speech.

* * *

[*English*]

BATTLE OF HONG KONG

Mr. Bill Kempling (Burlington): Madam Speaker, 50 years ago, December 8, 1941, two battalions of Canadian soldiers began the fight for their lives as Japanese forces swept into Hong Kong.

Men of the Royal Rifles of Canada and the Winnipeg Grenadiers never had a realistic hope of repulsing such an invitation. They had no air support. They were out-gunned. Much of their transport had yet to arrive. They had no escape route and they were in fact doomed from day one.

Yet these men, trained only for garrison duty, managed to hold until Christmas Day. Some 290 Canadians were killed trying to achieve the impossible.

For the survivors, the ordeal had barely begun. For the remainder of the war they had to combat brutality, forced labour, starvation rations and illness.

The wonder is that so many managed to stick it out and live to rejoice in VJ Day and liberation. Their strength of character and will to live were unconquerable.

Statistics tell us that 1,975 Canadians sailed from Vancouver for Hong Kong in October 1941 and more than 550 never returned.

On this 50th anniversary of the Battle of Hong Kong let us salute those Canadian troops who were the first group to see action and the last to see freedom. They have earned our everlasting respect.

ORAL QUESTIONS

[*English*]

UNEMPLOYMENT

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Madam Speaker, my question is for the Acting Prime Minister. The Prime Minister will know that 1,424,000 Canadians, including 600,000 Canadian women are without work as we approach the end of 1991. These Canadians, we can only conclude, in the mind of this government are an acceptable human loss in the so-called war against inflation.

• (1120)

I want to ask the acting Prime Minister: What hope, what promise of better performance is this government going to offer the 1.4 million Canadians who will spend Christmas this year as unemployment statistics, as stark evidence of this government's economic failure?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, no one takes delight in the unemployment figures that came out today. However, we might point out that employment has increased in the last six of nine months. The decline that we had in employment in the month of November was primarily in part time. In October and November we have had some 98,000 new full-time jobs created.

The economy is coming out of a very, very difficult period of time. It is coming out slowly but it is coming out. The signals are very, very positive. I can tell the hon. member that we are expecting a good recovery in 1992. With the participation in the labour force, we expect the conditions to be much better in the very near future.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Madam Speaker, that is an incredible answer from the minister who apparently knows what is going on in the Canadian economy. The minister talked about labour force participation. The minister has not told Canadians or members of this House that 45,000 Canadians left the labour force last month, that if those 45,000 Canadians had not given up looking for work or gone on welfare,

the unemployment rate today would not be 10.3 per cent. It would be 10.6 per cent.

I want to ask the minister whether he agrees with the words of Doug Peters, the chief economist of the Toronto-Dominion Bank, who said today: "It is time to review the mess we are in and the policies that got us here". When will this government recognize that Canadians are hurting out there in Main Street, Canada, and change the policies that created the mess we are now in?

Hon. John McDermid (Minister of State (Finance and Privatization)): The best thing that we can do, without yelling and shouting and ranting and raving like the hon. member will do from time to time, is to assure that the economy is on a sound footing. That is the most important thing.

Yesterday, we saw interest rates drop to an 18 year low. We also saw mortgage rates drop yesterday to a level that we have not seen in 23 years.

The situation is that the inflationary pressures are coming down, and that is a very positive sign. Housing starts in October are up over 200,000 annualized. There are some good signals there. The best thing that we can do for the people of Canada is to ensure a strong economy, a good strong recovery, to get people back to meaningful work. That is what we are trying to do.

By the way, Mr. Peters has his opinion. The Liberals like to quote Mr. Peters from time to time. I met with him in Montreal a couple of weeks ago and listened to him as well. But other economists have other opinions. As a matter of fact, in the pre-budget consultations the majority of the people are saying we are on the right track, stick to it, because they can see light at the end of the tunnel.

[*Translation*]

Mr. Brian Tobin (Humber—St.-Barbe—Baie Verte): Madam Speaker, last month, 13,000 jobs were lost in Quebec, and 92 per cent of those jobs were filled by women. When will the minister table specific programs to help these women get back to work and take their rightful place in our society?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): I thank the hon. member. This government has been working very diligently to help especially that group with the Canadian Labour Force Development Strategy. Under that strategy we have allocated $3.1 billion this year and $3.4 billion next year for training and adjustment programs for Canadian workers and more than $6 billion in two years time. That is working.

As a matter of fact I was in Montreal last night, and I had an individual come up and he said he took that training course and he now has a good full-time job in Montreal. He thanked the government for providing that training program. Those are the results that are happening. The hon. member pooh-poohs that but I am going to tell him something: Those who are taking the training and finding jobs thank the government for it, and the hon. member should as well.

* * *

PROJECT HAVEN

Ms. Mary Clancy (Halifax): Madam Speaker, my question is for the Minister responsible for the Status of Women.

The time frame for Project Haven is nearly at an end. Workers with abused women across Canada are still wondering just where the money went. Will the minister tell us how much of Project Haven's dollars have already been spent, and will she also tell us how many transition house units have been built with this money?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Madam Speaker, yes indeed I would be pleased to respond to my hon. colleague.

As I understand it, and this program does come under CMHC, basically the full allocation under the old Project Haven has been used up or has been committed and 499 new units have been established for women and their children under that project.

As the member knows, there is now a new project which commences this year and which will be focusing specifically on second stage housing, although there will be some components still related to emergency housing as well.

Ms. Mary Clancy (Halifax): Madam Speaker, we are happy for the 499 individuals who will be helped. We hope that the government will see its way clear to see the million or more women who are still in great difficulty.

Madam Speaker, the Micmac Family and Children's Services of Nova Scotia is still waiting for a final decision on Project Haven funding. This has been approved by the department, but to date no Project Haven dollars have been spent at all in Atlantic Canada.

Will the minister commit today to funding which has already full departmental support for the Micmac Family and Children's Services of Nova Scotia?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Madam Speaker, I have personally looked at this application. As members will recall, the application came in after the expiry of the existing program funding period. I met the proponents of the project and indicated that I would take every possible measure to find means to funding the additional requested units.

I might point out that the funds requested per unit are twice as high on average as we would fund under the Project Haven component program for aboriginal peoples, but we are looking for a way to fund this project in the next fiscal year.

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[*Translation*]

VIOLENCE AGAINST WOMEN

Hon. Audrey McLaughlin (Yukon): Madam Speaker, my question is directed to the Acting Prime Minister. Today, the entire country remembers the massacre in Montreal, but this day of remembrance can also be a day of action.

Madam Speaker, the Minister of Finance says that he is preparing his budget. I would like to tell the minister that women are sick and tired of begging for shelters for battered women. We are sick and tired of organizing garage sales and bake sales so that our children can have a safe place to sleep. In Quebec alone, 12 shelters are threatening to close down. Will the minister tell women that in his next budget there will enough money for these shelters?

[*English*]

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Madam Speaker, I know that the Minister of Finance already has been consulting with representatives of women's groups in preparation for the budget next year, and I think in quite an important and quite a new approach to consultation. I am sure that he will hear some of those same concerns that will be brought forward in the preparation of the next budget and I look forward to many of these being addressed.

Hon. Audrey McLaughlin (Yukon): Madam Speaker, women's groups across this country have told this government time and time again about the need for core funding for women's programs and shelters for battered women. This is the time to end the consultation and to take some action.

The Minister responsible for the Status of Women and Associate Minister of National Defence, I suppose, could ask the army to have a bake sale and give core funding to women's programs. That might change something for the women in this country.

I would also like to ask the Acting Prime Minister this: We had 45,000 more Canadians last month who have gone from unemployment insurance on to the welfare rolls. This is families. One of the causes of violence against women is the breakdown in families caused by unemployment—

Madam Deputy Speaker: Will the hon. member put her question, please?

• (1130)

Ms. McLaughlin: Madam Speaker, I want to ask the Acting Prime Minister or the Acting Minister of Finance what this government is prepared to do to give women real options. What is this government prepared to do to get Canadians back to work?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, our programs to get the economy going again are beginning to show some very positive results. Interest rates are down and inflation is down.

The hon. member and members from her party have for many months told us to get interest rates down and that is what we have done. We have also brought inflation down to a level that is permitting us to lower interest rates in this country. We are going to see results from that. There is no question about that.

As far as helping women to obtain gainful employment, the programs that have been put in place are

starting to bear fruit. There is no doubt about that. The results indicate people are joining the labour force, or entering the labour force for the first time, or being retrained where their jobs have become obsolete. We are spending $6 billion this year and next year on training alone, and that is very important. A large component of that goes to women.

Hon. Audrey McLaughlin (Yukon): A supplementary, Madam Speaker. The government continues to talk about maybe a recovery in 1992, maybe in the middle of 1992. It used to be the church that asked us to wait for the afterlife and now it is this government.

Every day there are women and families in this country just struggling to get through the day. On this day of action and remembrance, what is the government prepared to do to make economic options available for women, both young women trapped in abusive relationships and older women who have fewer and fewer options because of the economic policies of this government?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Madam Speaker, perhaps I could respond to the leader of the NDP because I think a lot is happening.

As my hon. colleague has already mentioned, we look at the focus within the Labour Force Development Program to ensure that women have opportunities for training and retraining. We are focusing, of course, on a wide variety of initiatives on education and information, on issues relating to violence to assist women.

The family violence program itself, of $136 million, is focusing on a wide range of activities and supporting women throughout the country. Indeed, this very morning, the Minister of National Health and Welfare announced a program in co-operation with the YWCAs across the country, as a community-based model of education and public awareness to assist women dealing with issues relating to violence against women.

We do not have all the answers but I think in this sort of co-operative spirit which has developed on this issue in this House, we jointly are truly trying to search for them.

GUN CONTROL

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, my question is for the Acting Minister of Justice.

Bill C-17, the bill on gun control, was passed by the Senate and given royal assent yesterday. However, as you know, it will not be operative until the regulations are tabled and the law is proclaimed by Order in Council.

Canadians, especially women, want quick action on this matter. When will the regulations on the gun control bill be tabled and when will the law be proclaimed? What is the government's timetable?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Madam Speaker, on behalf of my colleague, the Minister of Justice, I can assure all members that she is committed to moving this process ahead just as quickly as possible.

In fact, I understand her officials will be working through the Christmas period in order to get those regulations developed and bring them back to the House just as quickly as the House resumes. As you know, there is provision for them to go back to committee. However, it is our hope that those regulations can be in effect as early in the new year as possible.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, that is not enough. We want a very specific timetable.

[*Translation*]

Last year in Canada, 234 women were killed—74 by their husbands. In Quebec, there has been an 8.3 per cent increase in violent crimes against women. Although Bill C-17, the gun control bill, was adopted yesterday, there are still some serious gaps in our legislation.

Does the government intend to keep monitoring the situation to find out whether the legislation is truly effective against these violent crimes? What are the government's plans in this respect?

Hon. Pierre H. Cadieux (Minister of State (Youth), Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Madam Speaker, as my colleague pointed out a few minutes ago, in the other language, the bill was

passed by the Senate yesterday, and I think all members of this House should be very pleased that the bill has finally been adopted.

The regulations will be tabled as soon as possible in the new year, and there will undoubtedly be room for improvement as there is in the case of any piece of legislation, especially this one. The government, and especially my colleague, the Minister of Justice, will be monitoring this very closely. Furthermore, appropriate amendments will be introduced, as required.

* * *

UNEMPLOYMENT

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, my question is for the Acting Prime Minister. According to Statistics Canada, the unemployment rate in Quebec is nearly 12 per cent, and 13,000 more people were without work in November than in October. Twelve thousand of the 13,000 who lost their jobs were women. How does the government intend to reverse this trend, which is disastrous for Quebec and for Canada?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, in looking at the figures, the hon. member is right, but most of those were part-time jobs, not full-time jobs that were lost.

What we are doing not only in Quebec, but across this country is concentrating a great deal of money into the training and retraining of individuals who are on unemployment insurance, who have lost their jobs, whose jobs have become obsolete, to train them with the types of skills they will need to face the next number of years in this highly competitive country that we live in.

We are concentrating on that. We are spending some $6 billion, which is a tremendous amount of money for training, and women will be the large beneficiary of those funds being expended.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, Montreal has the highest unemployment rate of all major Canadian cities—nearly 12 per cent. Why does the government not realize that its policies are not helping the Montreal area? When will it do something to get Montreal out of this economic slump?

Hon. Jean Corbeil (Minister of Transport): Madam Speaker, the hon. member for Saint-Léonard surely knows, or at least he should know, about the efforts this government has made in recent years to create jobs of the future in the Montreal area, jobs in high technology, aviation and pharmaceuticals. They are the result of laws passed and action taken by this government.

As for the situation of the unemployed in Montreal in general and the east end in particular, I think that the programs we created by changing the Unemployment Insurance Act to be able to spend much more on job training, in co-operation with the Government of Quebec, are concrete measures taken to correct the situation.

* * *

[*English*]

WHITE RIBBON CAMPAIGN

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, yesterday I wrote a letter to the minister responsible for the status of women urging her to use her powers in her other capacity as the Associate Minister of National Defence to allow members of the military to wear white ribbons this week, just as they are allowed to wear a thistle for St. Andrew's Day, a shamrock for St. Patrick's Day, a leek for St. David's Day and poppies on Remembrance Day.

I want to ask the minister if she acted on this issue and, if not, why not?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Madam Speaker, I received my hon. colleague's letter this morning when I returned to Ottawa. Perhaps if she could have spoken to me about it a bit earlier it would have given us a bit more time.

I can advise my hon. colleague that there are, of course, regulations and rules which govern uniforms and appropriately so. If any changes are required there is a process of decision making with the Armed Forces Council that we go through.

I have suggested to the organizers of the white ribbon campaign, and I assume that they will be continuing this campaign in the future, that certainly I would be very supportive of a submission to the council. I hope this matter will then be resolved before the campaign commences next year.

One more thing, Madam Speaker. Because today is a Friday the members of the armed forces in Ottawa do not wear their uniforms and many of them are wearing white ribbons.

• (1140)

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, it is my understanding that the Associate Minister and the Minister of National Defence have the authority to issue a declaration indicating that it would be permissible to wear a white ribbon honouring violence against women and the women who have been killed, on this national day of remembrance and action on violence against women.

We also learn that reporters on TV are barred from wearing the symbol, a white ribbon. The reason given is that: "We don't use any overt signal to detract from our neutral position". What neutral position? There is no neutral position on this issue. This is not a political campaign. What is the other side of this?

Will the minister act to encourage greater freedom and participation in this white ribbon campaign? Will she write to the national media and give them at least her opinion on this and encourage them to allow the reporters the opportunity to show their solidarity with women?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Madam Speaker, as I understand the origins of the white ribbon campaign, it was a group of very distinguished men from all walks of life who indicated they wanted to show their commitment to the issue of violence against women. I commend them for that. I think it is a very important part of creating the kind of understanding that is required to address these issues.

If we really want to make this grass roots, I think they are the ones that should provide for that interaction. Certainly I offer my support. However, I would also suggest that those men who are involved in this movement, in this campaign, will also want to ensure that they make their concerns and their views known to national institutions, to broadcasters and to all in society.

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BLUE WATER BRIDGE

Mr. Ken James (Sarnia—Lambton): Madam Speaker, I want the Minister of National Revenue to know through you that the International Blue Water Bridge is receiving ever increasing vehicular traffic. He should also know that this traffic make-up is a mix of ever-increasing truck and business traffic, tourism traffic and so on. In fact the volume is quickly reaching the point where a second span will have to be built.

We are having traffic back-ups caused in part by primary customs inspection. The Blue Water Bridge Authority is ready to build new primary booths and stations.

I would like to ask the minister if he will commit his department to immediately put in place training and availability of customs personnel to facilitate the clearance at the Blue Water Bridge. He has been helpful in the past and I ask for his help in the future.

Hon. Otto Jelinek (Minister of National Revenue): Madam Speaker, I appreciate the hon. member's interest in this very important matter.

As a result of his previous representations to me, many improvements at Blue Water Bridge have already been made, including the employment of additional personnel.

However, if the Blue Water Bridge is indeed proposing to expand the number of booths or lanes, we will have a look at that. If additional people will be required to man those booths, we would take that into consideration in a positive manner.

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UNEMPLOYMENT

Mr. Sergio Marchi (York West): Madam Speaker, my question is for the Acting Prime Minister.

While the official unemployment rate in metropolitan Toronto remains virtually unchanged at an alarming 10 per cent, the real figure is actually much higher since 14,000 Torontonians have left the labour force in Novem-

ber. These 14,000 people are either not looking for work or are now on welfare or have left Toronto all together.

Given that the Toronto economy is crucial to any national economic recovery and given that it is now both sputtering and shrinking, when will this government introduce measures to stimulate and kick-start an indispensable component of Canada's economic machinery?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, all the advice that the government has received from groups across this country has been that the best way to get the economy going is to get our basics in place and that is low inflation rate and low interest rates.

I recently had discussions with a number of individuals in the real estate industry in Toronto and the metropolitan area. The type of house selling that is going on now is first time home buyers that are getting into the market. That is a good sign. That is a good sign that the economy is picking up, that people are purchasing their homes in the Toronto area.

As a matter of fact, in my area of Brampton in the last very short period of time there have been hundreds of new homes sold primarily to first time home buyers. He looks surprised but I can take him out to the new Springdale development and show him where they have sold 500 homes in one week.

Things are beginning to happen in the metropolitan Toronto area. Of course the training programs that we provide through the community colleges are helping to train and retrain. We see some great signs of the economy recovering in early 1992.

Mr. Sergio Marchi (York West): Madam Speaker, my supplementary question is for the same minister.

The chronic unemployment crisis of metro Toronto not only paints a dismal economic picture but it also paints a very troubling social picture. Over 50,000 people are homeless in metro Toronto; 250,000 on welfare and 160,000 collecting unemployment insurance. There are 150,000 relying on food banks and the story goes on and on and on.

I ask the hon. minister when the government will recognize that metropolitan Toronto is really suffering from a tale of two cities and that it is in need of a serious economic blueprint in order to revitalize what is essentially a stagnating economy when it was once a very dynamic and bursting economy for Toronto and for the nation.

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I come from that area and am very proud of that community and its role in the Canadian economy.

The hon. member stands up here with a doom and gloom scenario which does nothing to further the economic benefits of the metropolitan Toronto area. It is a vibrant city. The economy is starting to come back. We are seeing some very good signs and Toronto will be the beneficiary of the growth that is estimated by those outside groups—not by the government—of some 3.5 per cent to 4 per cent growth in 1992.

Toronto naturally will benefit. It is a very vibrant city. I am extremely proud of it and I am sure that these people will find meaningful jobs in the not too distant future and the city will be back operating again as a city that we all know and love.

* * *

INTEREST RATES

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs or the acting minister, and it is about the other interest rates, credit card interest rates.

At a time when consumers are being gouged by credit card rates the Minister of Consumer and Corporate Affairs has no help for Canadians except telling them to shop around. Here is the shopping list, Madam Speaker: Bank of Montreal MasterCard, 19.25 per cent; Toronto-Dominion Visa, 19.75 per cent; National Bank, 19.75 per cent; Scotia Visa, 19.25 per cent.

I want to ask the government if this is Tory fairness.

Hon. Otto Jelinek (Minister of National Revenue): Madam Speaker, what is Tory fairness is our efforts to bring interest rates down. All Canadians, whether they are borrowers on credit cards or mortgage loans, should be delighted with the fact that the prime rate yesterday dropped to 8 per cent, the lowest level it has been in 18 years.

This, Madam Speaker, is good for everybody. As a result, interest rates on credit cards are going down and the Minister of Consumer and Corporate Affairs has very rightly said that now is the time to start shopping for

better rates as they become available to both consumers and businesses.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I just read the shopping list. The rates are 12 per cent above prime. Only a Conservative would think that is proper.

[*Translation*]

Why does the government allow the chartered banks to bleed Canadian taxpayers with usurious credit card interest rates?

[*English*]

Hon. Otto Jelinek (Minister of National Revenue): Madam Speaker, the hon. member obviously cannot get it into his mind that people can, whether businesses or consumer, borrow money from their financial institutions at the lowest rates they have been for 18 years.

This is good news for consumers. This is good news for businesses. This is good news for Canadians and the Canadian economy. The hon. member should be applauding this government instead of standing up and posturing on statements he keeps making.

* * *

VIOLENCE AGAINST WOMEN

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, my question is for the Acting Prime Minister.

He will recall that in 1982 male parliamentarians laughed when I stated that one in 10 men battered their wives. Although men in this House wear ribbons today, violence has escalated and we now learn that one in eight women are battered by their partners. This violence must end. The government must act now.

• (1150)

I want to ask the Acting Prime Minister if the government will lift the ceiling on the Canada Assistance Plan so that one in every two women will not be turned away from shelters and that they and their children will have the help they need.

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Madam Speaker, I think my hon colleague is as aware as other colleagues are that we are all working together to try to put an end to violence against women. It is not just one level of government that can decree it. It is going to require some fundamental changes in the attitudes so that women have equal respect in our society.

Just commenting on the final part of the hon. member's question, I am sure she is aware that it has been estimated that perhaps 25 per cent of $1.5 billion of the transfer payments to provinces do, in effect, go to support a whole variety of services for women and their children who have been victims of violence. This is a very significant contribution.

As my colleague is also aware, the Canada Assistance Plan contributions continue to increase to all provinces and the limit of 5 per cent to the three most prosperous provinces is well above the expected inflation rate this year of only 2.6 per cent. Progress is being made and I am working with my provincial colleagues so that we can be sure that we get our priorities right, act in a concerted manner and that our moneys can be used as effectively as possible to end violence against women.

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, this kind of complacency is pretty hard to take. The minister must know that violence against women is highest in the provinces where CAP has been capped and shelters are being closed. Not very many are being opened.

My supplementary is for the Minister of Employment and Immigration or the acting minister, as the case may be.

Visible minority women, immigrant women and domestic workers often suffer violence in silence because they are afraid of being deported, loss of employment and rejection by their family and community.

What steps will the Minister of Employment and Immigration take to ensure that women immigrants have full protection from violent situations, that they are fully informed of this so that their silence will end?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Madam Speaker, our colleague knows very well that we

already have programs within the department to help integrate immigrant women into society.

I might also mention the Employment Equity Act that we implemented in 1986. We all know that a legislative committee has already started to review it. We can improve the law that we have had for five years. Progress is slow, but we are making progress. I concur with my colleague responsible for the status of women, who said that if we all work together, visible minorities, women, native people and the disabled will have their place in a well-balanced society.

* * *

[*English*]

EMERGENCY PREPAREDNESS COLLEGE

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, I have a question for the Minister of National Defence.

Following the passage of the Emergency Preparedness Canada legislation in 1988, the then Associate Minister of National Defence announced during the election campaign that a new building would be constructed at the Emergency Preparedness College in Arnprior, Ontario.

The building was to be occupied by students from municipalities and other levels of government and organizations from all over Canada by December 1990. To date a shovel has not even been put in the ground. Why has the government not kept its commitment to this very important process of training people for crisis management?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Madam Speaker, my colleague the Minister of National Defence has responsibility for emergency preparedness and I will be glad to bring this to his attention.

My understanding is that in a climate of fiscal restraint all priorities need to be addressed. We have not been able to proceed with all the things we would like to be able to do. The activities we undertake at Arnprior are very important activities. The training that is provided for municipalities and people across the country will continue and I am sure will ensure that we have effective emergency measures preparedness throughout the country.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, the Emergency Preparedness Canada Act was introduced in this House with great fanfare by the Minister of Communications when he was Minister of National Defence. The concept was reasonably well received at the time.

In view of this support and in light of the government's announcement, will the concept that the government is planning be the same and will it come forward for the college at Arnprior where thousands of Canadians are trained in crisis management? It is very important when problems arise: fires, storms, and even civil disobedience. I think this is very important for Canadian safety.

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Madam Speaker, I can assure my hon. colleague, yes, the government is committed to the maintenance of the high level of preparedness and training for people with respect to emergency measures.

I know, coming from British Columbia, the whole issue of earthquakes is a very important aspect of emergency measures preparedness. We passed that legislation, we have the commitment and we are following up in ensuring that it occurs.

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PUBLIC SERVICE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, my question is for the minister answering for Treasury Board.

Through Public Service 2000 the government proposes giving managers more power to contract out services. In his report, the Auditor General criticizes the sloppy management of operations and human resources in the contracting out that is already going on.

After a devastating Public Service strike brought about, by the way, by this government's policies, why is the government giving managers more powers to contract out without giving them clear, precise guidelines? Why this policy leading to conflict rather than one leading to harmony?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, as the hon. member

knows, project 2000 is designed to streamline the Public Service to bring them into the 21st century, to ensure that the services that are being provided to the Canadian public who are, after all, paying for them, are responsive to their needs and requests.

The suggestions made by the Auditor General in his report will help in designing those plans for the future for the bureaucrats. We look at the Auditor General as someone who helps us with the management of government. As a matter of fact, if the hon. member was fair, he would also point out that the Auditor General said that this government has made great progress in the administration of government over the past number of years.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, to give only one example, 64 per cent of those who left the Translation Bureau in the last five years resigned. I would ask the minister if the government is prepared today to meet with the unions and discuss seriously an acute problem that is affecting the workers' morale and the stress they are under, namely job security. Is he prepared to meet the unions and hold discussions with them to solve this very serious problem?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, in the last round of negotiations, as I understand it, the unions agreed to contracting out and privatization in the settlement that they came to with the federal government. In fact, Daryl Bean has talked widely about how an employee is protected if contracting out or privatization goes on.

Those negotiations and discussions have gone on. I believe now, because of those negotiations, that PSAC recognizes there is contracting out and privatization that can and should go on.

Sometimes the private sector can do jobs and provide services much more economically and better than the civil service. That has been proven in the past and I am sure will happen in the future.

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SHIPBUILDING

Hon. Alan Redway (Don Valley East): Madam Speaker, I have a question for the Minister of Transport.

Some three months ago a Canadian designed ice-breaker reached the North Pole. It was recently built at a cost that was less than one-half of the money currently being spent by the government to overhaul and refit an old and less powerful ice-breaker.

Why did the minister choose to spend all this money overhauling a 21-year-old ice-breaker when it could have built a new and a more powerful one and saved some $85 million at the same time?

• (1200)

Hon. Jean Corbeil (Minister of Transport): Madam Speaker, I would like to inform the hon. member that despite claims from competitors in the shipbuilding industry, a replacement vessel for the *Louis St. Laurent*, with the same capability had been estimated at approximately $250 million, assuming that the vessel would be built to Canadian standards, Arctic pollution prevention regulations and by a Canadian shipyard.

Any prices and costs mentioned by designer-builders at this stage for a replacement vessel for the *Louis St. Laurent* are totally speculative.

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CANADIAN ARMED FORCES

Mr. John Brewin (Victoria): Madam Speaker, my question is for the Associate Minister of National Defence on the issue of gays and lesbians in the Canadian Armed Forces.

In October the minister told a committee of this House that the current discriminatory policy was wrong, that the Chief of Defence Staff said it was wrong, that the Department of Justice said it was contrary to the Charter of Rights and Freedoms and was thus illegal, and that the policy would be changed well before the new year.

Why has the policy not yet been changed? Will it be changed before the new year? Has the government, according to reports, caved in to the neanderthals in the Conservative caucus?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Madam Speaker, I would not want to share the sentiments of the latter part of my colleague's questions.

A decision has not yet been finalized on this issue. As soon as it has been, obviously we will make the appropriate announcements. I can assure my colleague that a great deal of work has gone into this. I recently met with my new committee on social change and asked it, not to examine whether we should change the policy, there has been some misinterpretation about that, but if a decision is made to change the policy how we can make sure that it is implemented most effectively.

I think that is the kind of thing that my hon. colleagues and others would applaud. It is the kind of leadership we will need to take to ensure that any change is implemented effectively.

Mr. John Brewin (Victoria): Madam Speaker, the minister clearly avoided the opportunity to make the commitment to this House today that the policy was going to be changed before the new year which she made before the committee.

This House can take it therefore that the minister has backed away from the word she gave to that committee. I ask the minister and her colleague the Minister of Justice how they can continue to sit in a government that practises systemic discrimination against gays and lesbians in one of the major public institutions of Canada.

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Madam Speaker, as I advised my colleague and as I have indicated in the committee, there are many different aspects of this question that have to be addressed. I indicated that I hoped we would have a decision before the end of the year. That decision has not yet been finalized. As soon as it is my hon. colleagues will be advised as will other members of the House.

Madam Deputy Speaker: We will finish with one question from the hon. member for Parkdale—High Park and one question from the hon. member for Halton—Peel.

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SLOVENIA

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, my question is for the Secretary of State for External Affairs.

As she knows, on December 2 Canada recognized Ukraine as an independent state after 80 per cent of the Ukrainian people voted in support of the independence. Slovenia declared its independence on June 25 after 93 per cent of Slovenian people voted in support of independence in a free and democratic referendum. On October 8 Slovenia began issuing its own currency and passports, and on October 26 the last Yugoslav federal army soldiers left Slovenia's soil and Slovenia is now in full control of its borders and defence.

I would like to ask the minister, in view of Slovenia's *de facto* control of its own country, is she prepared to recognize Slovenia as an independent state?

Hon. Barbara McDougall (Secretary of State for External Affairs): Madam Speaker, as I told the Slovenian foreign minister while he was here, and we had a very illuminating meeting which was very helpful to me, recognition will come to those Yugoslavian republics wishing it. The question is how to receive it and when.

The difficulty is that with the nation in a state of war at the moment it is important that all parties negotiate the solution together in terms of the republics and their relationship with each other.

We want an end to the bloodshed. That is our first and most important priority. We also are very active in promoting a UN peacekeeping force in Yugoslavia in which we have said we would take an active part. Our efforts are directed toward that end and will continue to be. However, to recognize independence at this time in our view would fundamentally alter the nature of the negotiation process or the potential for a negotiation process and would suggest that the negotiation process may not take place.

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TRADE

Mr. Garth Turner (Halton—Peel): Madam Speaker, the future of the North American free trade deal looks somewhat cloudy after the American decision to pull back on talks. It is my understanding that Canadian officials are continuing to work with their American and Mexican counterparts.

My question is for the Minister of International Trade. If the Americans do shelve their participation, will Canada continue to be part of the negotiations? I want to

ask him if he could give us in general an update about where these talks stand at the moment.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, the hon. member has used the phrase that the U.S. has pulled back. To the contrary, the U.S. has not pulled back. There has been—if I can call it this—some conventional wisdom in the media to the effect that the Americans are slowing down, but that certainly is not our experience at the negotiating table.

We are in the course of exchanging draft texts to help us move the process along. The Americans have been fully engaged in that. In conversations which I had quite recently with Mr. Mossbacker, who was here earlier this week, and Mrs. Hills, whom I have talked with on this matter two or three times in the last month or so, the administration is fully committed to moving the NAFTA process ahead.

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PRESENCE IN GALLERY

Madam Deputy Speaker: I draw the attention of hon. members to the presence in the gallery of the Hon. Dwain M. Lingenfelter, minister of economic diversification and trade and Government House leader of the Legislative Assembly of Saskatchewan.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 15 petitions.

[*Editor's Note: See today's Votes and Proceedings*]

POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, may I ask that the Speaker review the "blues" of the question placed by the hon. member for Victoria. I believe within his question were assertions that were out of order.

Madam Deputy Speaker: I thank the hon. member. I will certainly do that and if there was something said which was not correct I will come back to the House.

I thank the hon. parliamentary secretary for bringing this matter to my attention.

* * *

[*Translation*]

NATIONAL DAY OF REMEMBRANCE AND ACTION ON VIOLENCE AGAINST WOMEN

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for the Status of Women): Madam Speaker, I am pleased to speak today on this first National Day of Remembrance and Action on Violence against Women.

I would like to mention the presence in the gallery today of representatives of women's groups who, with many others, worked on the front line in the community to solve the problem of violence against women.

On December 6, 1989, fourteen young women were murdered at the University of Montreal. It was a tragic moment in our history. We will never forget the shock, horror and anger; our sympathy went to the victims' grieving families and friends. Neither will we ever forget the sorrow we felt for society in general.

[*English*]

The commemoration of this day ensures that the murders at Ecole Polytechnique can never be discounted merely as an act of a solitary madman. It serves as a reminder of the violence that many women experience daily in their homes, in their work places and on the streets.

December 6 marks not only a day of remembrance but also a day of action on violence against women. The memory of the countless women who have been victims

of violence demands no less than a commitment from all of us to eradicate that violence from our society. The Prime Minister has said one Canadian woman suffering violence at home or elsewhere is too many.

• (1210)

Our government has made the ending of violence against women one of our major priorities and our goal, pure and simple is zero tolerance. To achieve this objective of zero tolerance we must recognize the plight and the difficulties experienced by the victims of violence and their families.

We announced last February the federal family violence initiative to which we are committing $136 million over the next four years for programs in the area of health and social services, criminal justice, community action, housing and support for services in aboriginal communities.

Through this initiative as well the government is working closely with its partners in society to promote community-based projects, to create new emergency shelters for women and to help train police and the judiciary in understanding the depth and the breadth of violence against women.

I would like to mention in particular the initiative announced this morning by the YWCA's national awareness program on violence against women. My colleague the Minister of National Health and Welfare announced in Toronto this morning that the YWCA will receive funding in the amount of $1 million over the next four years to undertake a community based-awareness campaign that will involve local YWCAs and community partners right across the country.

To achieve zero tolerance we must also seek to more fully understand the underlying attitudes and values in our society that allow violence against women to flourish. To that end we have instituted a $1.5 million program to establish three research centres. These three centres of excellence will encourage the promotion, the co-ordination and the communication of Canadian research efforts in the areas of family violence and violence against women.

To achieve zero tolerance we must also encourage women to speak up and share their experiences and their solutions. Therefore we have established the Canadian panel on violence against women. As part of their work they will be meeting and visiting with men and women from all walks of life in all parts of the country to hear from them their experiences and their solutions for violence against women.

Throughout this comprehensive national grass roots dialogue we hope the panel will raise awareness and document the incidents, the causes and the effects of violence. For the first time we will develop a national plan of action which will be the the first in the world. It will help make Canadian society safer and more equitable for women.

[*Translation*]

To achieve zero tolerance, the judicial system must recognize that crimes committed against women and children are as serious as those against property or against men.

That is why we are considering ways to make the legal system more effective in protecting women's right to live without fear of violence. To this end, we have passed a new firearms control law and we will replace the Criminal Code provisions dealing with protection for victims of sexual assault.

[*English*]

Finally to achieve zero tolerance we must also make the public more aware of the stereotypes and attitudes that encourage violence against women. As part of our response to the subcommittee report *War Against Women* we have announced our intention to co-ordinate new prevention oriented public education programs to involve the business community, labour movement, professionals, women's groups and other non-governmental organizations to build on the collaborative efforts currently under way with provincial and territorial governments.

I would also like to applaud the initiative taken by men's groups across this country in launching the white ribbon campaign to confront male violence against women. It commits men to the full equality of women and actively encourages men to be part of the solution to violence against women.

May I say that I am heartened by the expressions of support for this initiative that have been shown by members on both sides of this House this week and right across the country as I have travelled throughout the country.

There are no easy answers or simple solutions or magic ways of dealing with it. It is going to take the concerted effort of all Canadians to change the ways that we women and men alike regard and relate to each other. It is going to take the concerted efforts of all of us to change the attitudes that have perpetuated violence and stopped women from achieving full equality in our society.

I ask members on all sides of the House to join with women and men across the country to say today that we reaffirm our goal of zero tolerance of violence against women.

Today we make a pledge to those 14 young women whom we mourn and to their families and friends. We make a pledge to build a society in which women have the right to live without fear in their homes, workplaces and communities. We make a pledge to build together a society in which women and men are truly equals.

Ms. Mary Clancy (Halifax): Madam Speaker, I thank the hon. minister for her comments. I wish that I could share more in her feeling of being heartened by what we have done. I do and will appreciate many of the steps that have been taken. But December 6 for me and I think for all of us is a day in which a feeling of depression and a feeling of sorrow overwhelm almost any other.

Two years ago today 14 young women were killed by a man shouting his hatred of women. They were 14 young women who just wanted normal lives but because those normal lives entailed education in a non-traditional area those normal lives were denied to them.

[*Translation*]

These women did not want to become symbols; they wanted to be engineers. The tragedy that we do not grasp is that all women are in danger, whether they are "traditional" or "modern".

[*English*]

Some people still think it was an act of an ordinary psychopath, whatever that may be.

Publicity, public awareness and the actions that have been taken have still not made changes in the attitudes of the general public and, with the greatest of respect, changed the attitudes of many men, which is necessary.

We have for example the response by some to the report of the subcommittee on the status of women entitled *War Against Women*. It was not a response that really reflected the views that were expressed in the paper that came from the hearts of women on the front line across this country.

The response to the white ribbon campaign both in the armed forces and in the CBC is not a response that any of us is particularly happy about nor is the continuing refusal of the government to institute mandatory gender sensitivity training for federally appointed judges. These are the things we still need desperately.

I received this clipping just before I came into the House. The bodies of two women, one beaten to death and the other stabbed, were discovered by Montreal police today which is the second anniversary of the killing of 14 women at the University of Montreal.

One of the victims was discovered in a lane way behind a series of stores in the city's north end at about 7 a.m. She had been beaten to death. Four hours earlier a woman was found dead in an apartment in the city's east end. She was stabbed several times.

No arrests have been made and no motives for the slayings have been established yet.

There are no motives, just a general motive that says women are not safe in this country and that we cannot seem to do anything of significance that can make them safe.

Consider women in poverty, women in job ghettos, women frustrated by glass ceilings, women mocked, women marginalized and women maltreated. Emotional, psychological, and physical abuse are all violence. All of this is abhorrent and all of it must stop.

[*Translation*]

This violence must stop. It must stop now!

[*English*]

We have to act. There are more things we can do. We want to do it. For God's sake let us do it.

• (1220)

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, today is the second anniversary of the horror that is indelibly stamped in the minds and in the hearts of Canadians. Today is the second anniversary of the massacre of 14 young women in Montreal. They were young women who dreamed their dreams, shared their

hopes and aspirations, set their goals and worked toward achieving those goals.

They were young women who loved and were loved. They were killed simply because they were women.

Parliament has declared December 6 to be a national day of remembrance and action on violence against women. It is one small step taken to acknowledge that violence against women is real, longstanding and epidemic in proportion.

Let us consider these facts. Between 1984 and 1988 over 100,00 sexual assaults were reported to the police in Canada. Many police officers estimate that this number represents only 10 per cent of the actual sexual assaults. Forty per cent of wife assaults begin during the woman's first pregnancy.

In 1988 over one-third of homicides in Canada were domestically related. Sixty-four per cent of women murdered were killed in their own homes. Thirty-six per cent of men who beat their wives also abused their children in their homes.

A report was released in October by the U.S. Surgeon-General who said that wife battering in the United States injures more women than automobile accidents, muggings and rapes combined. Over 100 women are killed in Canada each year. They are killed by the men with whom they live or have lived. They are killed by the men they trusted.

Small steps are being taken by Canadians. Caring men have demonstrated their solidarity with women by launching the white ribbon campaign which commits men to working toward social and economic equality for women and toward ending violence against women. These men want to be a part of the solution.

The media has also focused on the issue of violence against women all week. This will help to educate the public and to heighten awareness of the depth of this very real social problem.

Women continue to struggle to raise funds for shelters for battered women and for rape crisis centres. They continue to staff these shelters and crisis centres. They are underpaid and they are overworked. Women continue to lobby all levels of government for adequate funding for services to women.

Some of these women are here with us in the gallery today. I would like to pay tribute to their dedication, hard work and commitment to our battered sisters.

The minister spoke of her government's family violence initiative which is $136 million for eight different ministries over the next four years. In fact the government plans to spend only $49 million before the next election. At the same time her government has slashed transfer payments to the provinces freezing both the Canada Assistance Plan for Ontario, Alberta and British Columbia and Established Programs Financing for all provinces.

The cap on the Canada Assistance Plan, which provides among other things funds for shelters for battered women and spaces for child care and welfare services, will cost Ontario alone in one year four times more than the initiative's entire $136 million in one year alone.

The minister spoke of a multimedia awareness campaign announced by the Minister of National Health and Welfare today. The previous minister said that his government hopes to educate Canadians about the importance of recognizing oneself as a victim and then seeking help.

What if the public does do exactly that? We have heard nothing about new services nor recognition of what front line workers have been demanding for years, which is a better delivery of services. Right now thousands of battered women and their children are turned away from overburdened shelters because of a lack of space. Research on this issue and a media campaign are an important part of the long-term solution. However, we need action now, action today that will help the women who are being beaten right now, the women who are battered, the women who are bruised, the women who are being turned away from shelters every day in this country.

It is simply not good enough to say we are working toward changing our society and that is the situation for our daughters. We must ensure that those women who are suffering now receive the support and services they so desperately need. We know that there is a crying need for more shelter spaces, for second stage housing and for counselling services.

We cannot wait for the report from the panel on violence against women, which I know and the minister knows will make recommendations for increased shelter spaces. The time that it takes for the panel to consult, report and recommend must never be viewed as a grace period for this government. The grace period is over. No grace period should ever have been expected or given.

In every region of Canada women and men are gathering to remember all of the victims of violence against women, to share their grief, to gain strength from one another. They are taking action. They are resolving to change our society, to ensure that women walk safely in our streets, that we may live securely in our homes, and that we may participate fully in our society as equal partners with our brothers. Women and men working together will bring positive change to our society.

I want to close with a quote from Judy Chicago in which she expressed her vision of a future without violence, a world in which both women and men are valued and respected. She said:

> And then all that has divided us will merge
>
> And then compassion will be wedded to power
>
> And then softness will come to a world that is harsh and unkind
>
> And then both women and men will be gentle
>
> And then both women and men will be strong
>
> And then no person will be subject to another's will.

We remember. Who could forget?

Some hon. members: Hear, hear.

* * *

HOUSE OF COMMONS

WHITE RIBBON CAMPAIGN

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I think this is the appropriate time for me to put forward this motion for unanimous consent, which I move on behalf of the hon. member for Lachine—Lac-Saint-Louis:

> That the House of Commons endorse the White Ribbon Campaign by encouraging all men to wear a white ribbon to signal their support in the campaign against violence against women.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, on behalf of the Liberal Party I am pleased to endorse this important motion condemning violence against women. Serious cases of violence against women are continually reported from all parts of Canada: cases of murder, rape, battering, harassment, forced prostitution, incest, pornography and repression.

Yesterday Parliament passed a stricter law on gun control, but stricter gun laws are not enough. There is a need for more shelters for threatened women, more effective family crisis intervention and more counselling for men prone to violence. In addition, we must do more to combat the easy distribution of violent pornography and the trivialization of violence against women in films, television and magazines.

The purpose of this white ribbon campaign is to show the solidarity of men with women in combating this growing wave of violence. However, members of Parliament and ministers wearing white ribbons in this House are not enough. If we are really serious we have to put more money into the shelter program and we have to provide more resources to combat violence.

• (1230)

Violence against women, no matter what form it takes, can never be tolerated.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, on behalf of the New Democratic Party caucus and the party itself I want to indicate our support for this motion.

I think that what we have seen this week from coast to coast to coast are men who, for the first time, are really standing up and saying they are concerned. However, they are saying more than that. They, along with the women of this country who have been voices in the wilderness for many, many years, are coming together to say that we all must act.

It is not just a day of remembrance. It is not just a campaign for one year. It is a commitment by all Canadians that their governments—federal, provincial and municipal—take action to look after those who are victims, and more important, to make the changes necessary to ensure that we can eradicate the need for future campaigns so that women or children are not violated by those who love them, by males. We must take this as a signal—I would hope the government does—

that the people of Canada support a change in attitudes, support a commitment to funding to ensure that the protection is in place, and also to work to eliminate the problem itself.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

[*Translation*]

BILL S-6

MOTION TO DISPOSE OF BILL AT ALL STAGES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I rise to ask for unanimous consent to present the following motion:

That, notwithstanding any Standing Order and usual practices of the House, Bill S-6, an act to amend the Act of incorporation of Metropolitan General Insurance Company in order to authorize its continuance under the laws of the province of Quebec, be referred after second reading, to a Committee of the Whole instead of to Legislative Committee H; and

That, unless otherwise disposed of, at the end of the time provided for the consideration of Private Members' Business this day, any proceedings then before the House shall be interrupted and every question necessary to dispose of the said bill at all stages shall be put forthwith and successively without further debate or amendment.

That Bill S-6, an act to amend the act of incorporation of Metropolitan General Insurance Company in order to authorize its continuance under the laws of the province of Quebec, be selected as a votable item.

[*English*]

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

PETITIONS

UKRAINE

Mr. Don Blenkarn (Mississauga South): Madam Speaker, it is with great honour that I present a petition on behalf of a number of Ukrainian Canadians in my riding calling for the recognition of Ukraine. More important, because this has not been done as yet, the petitioners call for the establishment of full and complete diplomatic relations between the governments of the people of Ukraine and Canada. I would also hope that air traffic between Canada and Kiev could be established as soon as possible.

UKRAINE

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, I stand today and put on record pursuant to Standing Order 36 the petitions of over 250 constituents of Winnipeg North led by the metropolitan Maxim Hermaniuk which were received in my office the day I left for Ukraine as a member of the official Canadian delegation to observe the referendum vote for independence in that country.

The petitions pray and call upon Parliament to urge the Government of Canada to give genuine support to the people of Ukraine by officially recognizing Ukraine's independence and establishing full diplomatic relations with the government and people of Ukraine immediately following a positive confirmation vote in Ukraine's referendum on December 1, 1991.

I am proud to realize that Canada has now decided to recognize Ukraine and I hope that the Government of Canada would extend full diplomatic relations on behalf of my constituents and these petitioners as here humbly submitted.

* * *

QUESTION PASSED AS ORDERS FOR RETURNS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, if Question No. 107 could be made an Order for Return, this Return would be tabled immediately.

Madam Deputy Speaker: Is it the pleasure of the House that Question No. 107 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

[*Text*]

Question No. 107—**Mrs. Gaffney:**

For the fiscal years (*a*) 1988-89 (*b*) 1989-90 (*c*) 1990-91 (*d*) 1991-92, what is the amount of dollars approved for the government youth employment programs (i) Business Drive for Jobs (BDJ) (ii) Work Orientation Workshop (WOW) (iii) Summer Employment/Experience Development (SEED) for each federal riding?

Return tabled.

[*English*]

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

Madam Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed

Madam Deputy Speaker: I would like to inform the House that because of the ministerial statement Government Orders will be prolonged by 19 minutes.

GOVERNMENT ORDERS

[*English*]

AERONAUTICS ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-5, an act to amend the Aeronautics Act and to amend an act to amend the Aeronautics Act, as reported (with amendments) from the Standing Committee on Transport.

SPEAKER'S RULING

Madam Deputy Speaker: There are three notices of motions in amendment to Bill C-5. Motions Nos. 1 and 2 standing in the name of the hon. member for Scarborough—Rouge River will be debated together. A vote on Motion No. 1 will apply to Motion No. 2. Motion No. 3 standing in the name of the hon. member for York West will be debated and voted upon separately.

MEASURE TO AMEND

Mr. Derek Lee (Scarborough—Rouge River) moved:

Motion No. 1

That Bill C-5 be amended in clause 12 by striking out lines 12 to 20 at page 7.

Motion No. 2

That Bill C-5 be amended in clause 13 by striking out lines 24 to 32 at page 8.

He said: Madam Speaker, I rise today to address an issue that I believe is of great significance to our legal and justice system. We note that the bill here involves the Aeronautics Act. I have no quarrel with the broad principles of this bill. Most of us are anxious to see it passed subject to the amendment that my friend and colleague wishes to present later.

In any event, the legal framework in which we enforce our statutes and laws in Canada is not all that complex. We start off with a statute in which we can prohibit certain things or require certain things to be done, and quite often under the terms of the statute we permit the making of regulations, orders or other statutory instruments by the cabinet, the Governor in Council. These secondary regulations and orders are then published in the *Canada Gazette* and become a part of our law.

In the Aeronautics Act we have fines stated for breaching regulations and terms and provisions in the requirements of the Aeronautics Act.

• (1240)

The proposed section 6.2 in this case permits the minister to restrict the use of any airspace or airport. I do not quarrel with that. Sometimes for security and many other reasons it is necessary to restrict access to airspace around airports and to portions of the airport property itself.

Under this section the minister would do that by passing a regulation through the Governor in Council. Ordinarily in our law that regulation or order would be published in the *Canada Gazette* and made public for all the world to know.

In this particular case, and it happens in some other statutes, it is not intended that this regulation under 6.2 be published. We will not tell all of the world that there is a prohibition, for example. As a result it is quite likely that order or regulation will not come to the attention of a lot of Canadians.

Under our Canadian law I submit that it is repugnant that an individual might be convicted of contravening a law that he did not know existed and the existence of which he had no means of ascertaining. I think all Canadians agree with that. In fact, the current section 6.2 inserts a subsection which basically codifies and states that repugnance. It states that you cannot convict a person of contravening a regulation which has not been published unless all reasonable steps have been taken to bring the purport of that regulation or order to the notice of the persons likely to be affected by it.

We have accepted that in our law and that position is codified in it. You cannot convict a person unless the government has taken all reasonable steps to bring the order to the attention of the person affected.

I have seen that in several statutes. Just last week the Minister of Indian Affairs and Northern Development

confirmed that in another statute involving the Indian Act in which the orders or instruments made by band councils were not published in *The Canada Gazette*.

However, in this particular amendment the government has gone much further. It changes the balance. Subsection (3) of this new section says:

> A certificate purporting to be signed by the Minister or the Secretary of the Department of Transport stating that a notice containing the regulation or order was issued is, in the absence of evidence to the contrary, proof that reasonable steps were taken to bring the purport of the regulation or order to the notice of those persons likely to be affected by it.

This is a situation in which to prosecute for a breach of the order all that is required is that the secretary or the Minister of Transport file a certificate with the court. Rather than proving that the government took reasonable steps to bring it to the attention of the person it simply has to say that "we issued the order".

That provision clearly places administrative convenience before the interests of justice and fairness to an accused. Here is a hypothetical situation. The minister decides that access to the stairwell in a particular airport or the stairwells on the north side of the airport in any particular city shall be restricted to authorized persons. Some unfortunate individual who was not aware of this decides to take a short-cut through the airport and uses the stairwell and is caught. He or she is charged and the person goes to court.

Keep in mind that the individual involved never knew that this stairwell was restricted. There does not have to be any sign posted. There is simply an order issued by the minister saying that you cannot use this stairwell. This person goes to court, though he or she did not know it was an offence, and is faced with a situation in which the government files a certificate saying it took all reasonable steps. It issued the order and the subsection says that it shall be deemed that the mere statement or certificate that it issued the order is proof, not evidence, but proof that the government took all reasonable steps to bring the order to the attention of the person who has been charged.

What does the accused person have to do? I submit that person is in a situation in which he or she must prove a negative. That person has to prove that the government did not take the steps. How could that person ever know what the government does in bringing such things to the attention of the public when the order was never published in the first place? It was issued, but never published. That is patently unfair and it places the burden on the accused.

Sections 6.2 and 6.41 remove the judge from deciding whether the accused is properly charged, based on the facts. There are no facts. The minister has simply filed a certificate and said that the individual used the stairway. It is a bureaucrat who has made the decision that the stairway should not be used. This shifts the onus on to the accused, contrary to our common law principles under which you are presumed to be innocent until proven guilty and the burden is on the Crown to prove guilt. The burden is now shifted on to the accused.

The accused, who does not necessarily know anything about transport policy or how government works, must prove a negative in order to be found not guilty. That is very unfair.

The proposed sections 6.2(3) and 6.41(6) both enact this very unfortunate principle. It purports to alter a fundamental principle in our justice system, which I have already explained. It crosses the line. I think that citizens in this country have to say: "You may not cross the line. Our justice principles cannot be altered for administrative convenience. We will hold on to the principles of justice and fairness as they exist in our criminal law and our quasi-criminal law".

As well, because this will be carried in the parliamentary record for a long time, I submit that there are charter implications with regard to the putting in place of a mechanism which will convict a Canadian of an offence he or she never knew about, never was able to find out about by reading the government *Gazette* or other publications, and places a burden in court that most Canadians could never discharge.

That is unfair. That is why I oppose this provision. I do hope the minister has an explanation, at least for the record.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, while I appreciate the intent of my colleague I think we have to recognize that in the industry we are talking about there will be situations in which the government, having decided to impose an interim order on a carrier, is actually unable to serve that carrier because of the nature of the business. He is flying from one point to another.

In this case the government does need that ability. If the interim order is to shut down business and it has to done by radio communication it can be verified with a tape recording that the government has sent that instruction by voice to the plane to order it to land at the nearest airport and cease and desist. I think we have to allow that flexibility.

This is not an onerous clause. Whoever the government of the day is would not use it frivolously. Therefore, I would still feel more comfortable if it had that power in the legislation.

Perhaps the minister in her remarks might want to give a very clear indication as to the kind of circumstances where this would be used by today's government.

Hon. Shirley Martin (Minister of State (Transport)): Madam Speaker, this particular issue is one that has been discussed quite thoroughly in committee and by officials with the hon. member who brought it forward.

• (1250)

We feel that it is in the best interest of the public as well to enable us to do the work that is necessary in this area if we leave those two clauses within the bill and not delete them.

Madam Deputy Speaker: Is the House ready for the Question?

Some hon. members: Question.

Madam Deputy Speaker: The first question is on Motion No. 1 and the vote on Motion No. 1 will be applied to Motion No. 2.

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

Some hon. members: Agreed.

Some hon. members: No.

Some hon. members: On division.

Motions Nos. 1 and 2 negatived.

[*Translation*]

Mr. Sergio Marchi (York West) moved:

Motion No. 3.

That Bill C–5 be amended in clause 15 by adding immediately after line 29 at page 9 the following:

"(1.1) Notwithstanding any other provision of this Act or any regulation made thereunder, the Minister shall cancel a Canadian aviation document on the grounds that the holder of the document or the owner or operator of any aircraft, airport or other facility in respect of which the document was issued has contravened three times any provision of this Part or any regulation or order made under this Part dealing with noise."

[*English*]

He said: Madam Speaker, the reason that I moved this motion on behalf of my colleague for Scarborough—Rouge River and members of the Liberal caucus is that the whole question of noise abatement and noise pollution with regard to communities that abut major international airports like the one at Pearson International Airport in metropolitan Toronto is a very serious one.

It is also a very responsible one. You do not hear these communities suggesting that somehow Pearson International Airport is going to shut down or that we are going to go back to the horse drawn cart rather than have the noise of modern aircraft.

Whether you live by an airport or very far from an airport you obviously understand that air travel is not only here to stay but is on the increase because life is increasingly in the fast lane despite the fact that the numbers of travellers are down because of the economic recession and the problems that the airlines face as a result.

Therefore, the purpose of Bill C–5 is to try to come to grips with controlling and managing this because there needs to be a recognition of the vitality of any airport, the multiplier effect that an airport clearly brings to metropolitan Toronto, Montreal or Vancouver, and the needs of a Canadian domestic and international travelling public. We need to balance all those factors with the need for communities to be communities, to allow those neighbourhoods to continue rather than forcing people to pick up and move because of the airport situation.

We have tried to put an amendment through today that speaks to the fact that airlines would be pleased to pay or chance the penalty for violating a noise regulation as part of doing business. It might be profitable for them to simply absorb the penalty or try to appeal the situation because there are many more fines levied than there are actual fines paid.

It was brought to our attention by officials of the Department of Transport that some of the more flagrant abusers are foreign air carriers coming to and going from

Pearson International Airport and other airports across the country.

My amendment would suggest that we try to stop and disallow any pattern of behaviour by any airline that wishes to pay the penalty costs regularly as part of doing business at Canadian international airports and therefore run roughshod over the regulations we have to protect the surrounding communities. Specifically my amendment would suggest that on the third noise violation by that one airline, it become mandatory for the minister and the department and indeed the government to simply remove that aviation document from that airline. This would effectively preclude that airline from doing business at that airport in Canada.

We feel that this would be in fact some tough medicine and would send out a very direct and clear message to particularly the foreign aircraft carriers whose regulations may differ with those they may find in Canada. The message is that we want to respect the balance between the vitality of an airport and the vitality of the communities which surround that airport. The minister has the option now to withdraw that document. It is not a mandatory one. It is an optional one.

What we would like to do is simply crystallize that, make it mandatory and begin to discourage any airline from thinking that rather than complying with our noise regulations and our time curfews, it should go ahead, pay the penalty and take a chance because it has a full load and some money in the bank anyway.

What my amendment does is to go beyond simply the minister or the government having the option to exercise some toughness. Obviously there are some special powers that all ministers have over their departments in very special or emergency cases. But we would like to make it part of the new stricter noise regulations that will be flowing from Bill C-5 if it becomes legislation. We would like to take it one step further and remove the potential systematic abuse of noise regulations by airlines which is to the detriment of surrounding communities. According to the evidence of the department this particularly concerns foreign aircraft.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I rise in support of my colleague's amendment. Very briefly, I just want to point out that as he has already said the monetary fines tend to be more like a licence fee.

We have given the judiciary the power to impose fees of up to $25,000 because of an amendment that was accepted by all parties in committee. I think looking at the record we will find that there were 2,599 complaints received between April 1, 1988 to March 31, 1989. Of these, 1,783 were handled administratively, 78 by judicial action and 738 were concluded with no investigation conducted.

Administrative monetary penalties were assessed in 347 counts with the average penalty being $215. Fines were imposed in 157 counts heard in court. The average fine per count amounted to $314.

In the initial case, $215 is considerably less than the price of almost any ticket flying into Toronto, Mirabel or Dorval. Three hundred and fourteen dollars maybe will be around the cost of a one way ticket flying into or out of any of those three airports. Even where we see a number of $500 fines imposed—this seems to be the more popular number—it costs me more than that to fly from Thunder Bay to Toronto to Ottawa and return.

Clearly the monetary fines that have been applied, even though the ceiling is nowhere near the amount of the fines, have not been sufficiently strong enough to convince the airlines to change their ways.

I think my colleague's amendment is a good move. It would make it mandatory to pull the ticket of an offending airline after it has offended the noise violations on three separate occasions.

The amendment does not say pull the ticket for life. It is not shutting down the airline. The government has the authority to do this now should it wish but it has not. If a ticket is pulled for a day or two I do not think there would be any problem whatsoever down the road.

• (1300)

I believe the airlines would think twice. Whether they are domestic carriers, those that survive, or whether they are international carriers coming into Canada, I believe they would think twice. This would be much the same way I might suggest that the zero tolerance laws regarding drugs allows governments to seize aircraft that have been found carrying drugs or illegal immigrants or what have you into various countries. That quickly puts a stop to that kind of illegal activity.

I would therefore encourage the government to give careful consideration to this power that parliamentarians want to give them so that they can show that they are prepared to get tough with noise polluters at Pearson International Airport, at Mirabel, at Vancouver, at Thunder Bay or at any of the airports where it has been a problem.

Hon. Shirley Martin (Minister of State (Transport)): With respect to this particular amendment, my hon. colleague from Thunder Bay—Atikokan was just mentioning the fines that had been paid and how low they were. Of course this was done because the current threshold is only $1,000 as a maximum.

Under the new legislation, as was pointed out, the fines are going to go up to $25,000. The ability will be there to make them much more of a penalty than what they are today.

The minister now does have the authority to pull the ticket if that is the action that needs to be taken. We feel that leaving it as it is and not putting a three-flight or three-occasion clause in there gives us the ability to do it on the first offence if we find it so necessary. We would prefer to leave it that way.

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

Some hon. members: Question.

The Acting Speaker (Mr. Moore): The question is on motion No. 3. Is it the pleasure of the House to adopt the motion?

Some hon. members: No.

Some hon. members: On division.

Motion No. 3 negatived.

Mrs. Shirley Martin (for the Minister of Transport) moved that the bill be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Moore): When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Mrs. Martin (for the Minister of Transport) moved that the bill be read the third time and passed.

She said: Mr. Speaker, I am pleased to have this opportunity to address the provisions of Bill C-5, an act to amend the Aeronautics Act and to amend an act to amend the Aeronautics Act.

At the outset I would like to extend my sincere thanks to the chairman of the Standing Committee on Transport and all the committee members for their diligence shown throughout the sittings and for their proposals to amend this bill in response to the representations that were made to them.

Some of the proposed amendments can be summarized as follows. The maximum penalty for the breach of a designated provision such as noise abatement procedures will be increased both for corporations and for individuals. A new section will be added to authorize the Minister of Transport to make interim orders that will immediately implement urgent safety recommendations received from bodies such as the Transportation Safety Board of Canada. In addition, the Minister of Transport will be given the power to withhold, suspend or cancel a Canadian aviation document when of the opinion that the document holder's past record justifies that action. This closes a loophole that existed in the previous legislation.

Another amendment to the original bill was unanimously agreed to by the members of the committee after representations from several concerned groups. This was ably proposed by my hon. friend opposite, the member for Thunder Bay—Atikokan. This amendment will add a new regulatory authority to the Aeronautics Act to set out the hours of work of crew members, including flight attendants. This move goes some way toward recognizing the important safety functions performed by flight attendants on commercial flights.

Other amendments will correct and update existing provisions in the Aeronautics Act.

The passage of this legislation has been eagerly awaited by the residents living near Canada's major airports, particularly the neighbours of Lester B. Pearson International Airport. In fact, the section of the legislation pertaining to increased fines for noise abatement or flight track infractions stems from extensive consultations with Pearson's neighbours. Municipal leaders and community groups told our officials that a

maximum fine of $1,000 was not enough by way of deterrent and we have listened to them.

This bill, as amended, now calls for a maximum fine of $25,000 for corporations and $5,000 for individuals. The corporate ceiling recommended by the standing committee as moved by my colleague the member for St. Catharines is higher than the initial one proposed in Bill C–5. My officials at Pearson advise me that the subject of increased fines is a topic frequently raised at the public meetings that they hold regularly. But increased fines are only part of the solution. At Pearson the most advanced noise–monitoring and flight–tracking system in the world has been installed and is already providing important information. The system will be fully operational when the new air traffic control system is completed.

Pearson's noise management office will have an automatic link between 14 new noise monitors installed in neighbourhoods around the airport and the radar system that tracks aircraft flight paths. In the past we relied primarily on complaints of nearby residents. With the new system, any deviation from approved flight paths or failure to follow the noise abatement procedures will be readily apparent.

I trust that we have also allayed the concerns of those representing the interests of the general aviation field with respect to the transfer of certain zoning authority from federal jurisdiction to provincial jurisdiction.

Another issue that we are pleased with is the support of Canadian air carriers and the Airline Pilots Association for the proposed amendment respecting the making of interim orders to give immediate effect to any recommendation necessary for aviation safety or the safety of the public following an accident or an incident investigation.

One of the concerns raised at the standing committee was the wording and intent of certain amendments proposed in clauses 12 and 13. This is also the subject of the further amendments that were presented to us today and put on the Order Paper as we heard by the member for Scarborough—Rouge River.

It should first be understood that these particular subclauses in Bill C–5 are consequential amendments of what has been in the original Aeronautics Act since its passage in 1985. In these particular clauses the last subclause provided for a shift in the evidentiary burden to the accused where the regulation allegedly violated has not been published in the *Canada Gazette*. These subclauses address the situation where the department has taken other steps to bring the regulations to the attention of the accused. My friend from Scarborough—Rouge River gave notice to the amendments to C–5 to delete these two subclauses.

• (1310)

The department has well established practices for communication with the aviation community on regulatory provisions that are legally exempted from the publication requirements of the Statutory Instruments Act. It is the aviation community, as a very specialized and identifiable public, to which these provisions apply and not to the general public.

The primary vehicle for these communications is the notice to airmen, or NOTAM, which is distributed regularly to all licensed pilots and operators and is also made available through air traffic services facilities. The law requires that pilots familiarize themselves with all information appropriate to their intended flights. This includes familiarising themselves with all relevant NOTAMs.

If an accused has a special and unique reason to believe that longstanding government and industry practices which have support in law were not appropriate in the particular case, it is only reasonable that the accused explain what these are.

It is for these reasons that the subsections in question shift the evidentiary burden to the accused. This is in our view entirely appropriate. If evidence exists to demonstrate that reasonable steps were not taken in respect to the accused, he or she would be in the best position to show this and would accordingly be found not guilty of a regulatory violation.

In conclusion, I would once again like to thank the committee members and the associations that appeared before the committee for their very valuable contributions to Bill C–5. I am hopeful that all members of the House will offer their support for this bill as we continue our endeavours to enhance the already commendable level of aviation safety in Canada.

Mr. Sergio Marchi (York West): Mr. Speaker, on behalf of of the member for Hamilton West and all of my caucus, I am pleased to respond to third reading of Bill C–5.

Essentially it is a bill that has obtained a fair amount of support from all sides. The main feature as the minister noted is the question of increased fines for airlines that abuse our noise regulations. The fines have been increased substantially. That needs to be said. Previous to Bill C–5 the fines stood for both individuals and the major corporations at $1,000.

Through the work of the committee, in conjunction with consultations within the constituency, including community groups, fines for individual small operators were raised to $5,000 and fines for corporations were raised to $25,000.

It is hoped this will discourage airlines which continue and seek to abuse our regulations. It is important to major airports of this country, as it is to airports around the world, for us to strike a balance. We cannot simply close our eyes or plug our ears in the name of advancing the question of air travel in our country or the question of expanding airports or the question of the jobs that come from airports. The fact is airports are here to stay.

Air travel is increasingly becoming popular with more Canadians from coast to coast to coast. That is well understood by communities around the airports and communities not close to the airports. There needs to be a balance to the other aspirations that are also equally important: the families, businesses and residential communities that are located and operate adjacent to international airports.

It is simply unfair for us to respond to those individuals by saying: "If you do not like it and if it is too noisy, just move". That is a glib answer which solves nothing for anyone.

We have to ensure when we plan for our transportation infrastructures, including airports, that those communities have every right to be viable communities like the rest across the country and that those families have every right to enjoy their local parts without being drowned by the constant flights in metro Toronto every 30 seconds. These people have every right to enjoy the aesthetics that are part of our neighbourhoods.

Let us face it, at the end of the working day as the pace of life quickens and as the pace of life becomes more hectic, going home is a moment that people relish. Our homes are our castles. Our homes, on average, are the biggest investments that Canadians will ever make during their working lives. It is more than simply a place to stay; it becomes an escape. It becomes an opportunity for one to go home with one's family, with one's children and relax and enjoy and be prepared and get ready to face the world the next morning. Therefore, we need to be cognizant of and sensitive to those very real and needed aspirations.

When we talk about communities in metropolitan Toronto, we are not only talking about a few small neighbourhoods. The member for Broadview—Greenwood will be seeking the floor in a few moments and is going to tell of his riding which is far east of the airport, but from which complaints are coming that the aircraft are coming in regularly along the Don Valley and causing problems there.

There are problems in the south end of my riding in North York. There are problems in Mississauga. There are problems in Etobicoke. There are problems in Brampton. Pearson International Airport is the flagship airport of our country and is a major player internationally and therefore, quite properly, attracts major clientele from around the globe.

We are not talking about an isolated pocket. We are not talking about being parochial. We are talking about a real live phenomenon which has frustrated many individuals in and around Pearson International Airport.

I believe that when we talk about expansion, when we talk about privatization and when we talk about runways, we also need to talk about and be cognizant of the situation that those neighbourhoods will have to put up with. That is the cost of increasing air travel in and out of Pearson airport.

The airport noise situation and the whole question of the increased fines toward airlines that break those regulations are the centrepieces of Bill C–5.

The minister mentioned that there are a number of applications, for instance, better clarifying the zoning procedures in and around airports for the purpose of the aeronautics bill. It is going to be interesting to see what we do with the new hotel at terminal 3 at Pearson, which is four–stories too tall for the safety of airport travel.

It was also suggested giving the minister, in terms of reacting to calamities that unfortunately befall us from time to time, a quicker response. Rather than waiting for the regulatory process to kick in, a minister on a two-year basis can issue an intermediate response. This is good because I think in times of emergencies and in times of tragedies it is reassuring for a public, a government or a minister to be able to have the tools and the wherewithal to react quickly and succinctly to not only rid ourselves of that problem in the future, but to re-establish confidence and safety among the travelling public.

The question of increased fines is but one factor in a multiplicity of factors that contribute to a complex equation in terms of noise abatement. I appreciate that the minister is here in the House. I put a number of different measures forward at report stage and during committee, amendments that were thought to be outside of the purview of the bill, but I wish to put them back on the agenda as we speak today.

• (1320)

I do not think we should simply forget about these ideas because I do not think we have licked the noise problems with just this one piece of legislation, notwithstanding the fact that it is an improvement in terms of the fines.

One amendment I put forward is a noise insulation program that has worked very well and very effectively in the Denver community. The problem there was becoming quite acute. The situation there was very similar to that of the residents in Mississauga and in my riding where the houses, doors and windows would rattle when aircraft were flying low.

The Denver airport, in conjunction with government officials, basically applied state of the art technology in terms of insulation against the rattling and also abating the noise penetrating these homes and buildings. It has established an insulation program which is an incentive for the local communities to take advantage of.

I read an article in terms of the success the Denver—Stapleton International Airport had. It allows for funding from the government of upward of $7,500. There is a meeting half way between government and community in terms of increasing and adapting technological insulation programs in keeping with the challenges.

In this country in the past we have had incentives in insulation programs. I would suggest that it would not be too far fetched, particularly for communities abutting the major international airports, to take a look at the experiment in Denver and see if we can adapt it. If we could, it would be a win situation. It would be a win for the government which is bombarded constantly with noise problems from communities that have nowhere else to turn.

It would be a win situation for the resident who would be assisted in purchasing that new insulation because the government would come in with some financial assistance. It would also be a win situation for employment and some activity, particularly in the trade sector in and around airports like metropolitan Toronto. We could get some of these contractors working again.

It is a situation which we simply should not just read about in a magazine and forget about. If it works in Denver, and it has had some success and there is going to be some financial commitment, I think there would be rewards for the government in terms of the work related activity and noise reduction. I think the government should seek to take advantage of the situation.

It is a program I recommend to the government to at least consider and study to see if it is something we might be able to adapt to our situation. If the Americans can make it work in Denver then I think Canadians can make it work in Toronto, Vancouver or Montreal.

I also had an amendment at report stage. I thought it would be good to have in our books on a mandatory basis the situation that would preclude an airline from thinking that it can simply run roughshod over our noise regulations and simply charge it as a price of doing business. For some major airlines or individuals perhaps $25,000 or $10,000 is a huge sum, and I do not want to belittle that.

For major international corporations, American or others, travelling around the clock to every corner of the world, perhaps it is not as big a bottom line as it is for individuals. Therefore there have been occasions, according to answers provided to us in committee by officials of the Department of Transport, in which

airlines have taken the attitude of simply ignoring the fees or charges that would be levied against them for that violation and would simply charge it up as part of doing business, assuming they have a full load and are making a good profit which means they will simply take it off the top.

I was suggesting that if an airline committed three violations against our noise standards and regulations, it would trigger a loss of its travelling document, its right to operate in and around our Canadian airports.

I think that would provide some teeth and a signal to send to aircraft carriers, particularly to foreign carriers which are the bulk of them, as we were told at committee. It would show that we are not taking things lightly when talking about the important balance between airports and communities around those airports. Some of these carriers operate in countries where there are no environmental or noise standards, and we ought to have them respect the decisions that we have taken for our own citizenry and respect them in a way that we will not be having a flagrant systematic abuse of our laws.

The minister right now, without Bill C–5, can obviously remove one's document after the first violation. The minister made mention of that. There is a great difference between an option and a mandatory reaction to an action. I was hoping that the minister and the government might see fit, in order to strengthen the teeth that we have in order to get these foreign air carriers to comply with our standards, to make it mandatory. I am hoping that the minister and government are serious that if there are airlines that make it a practice to break our laws, we will be tough with them. The reality is that very few of the airlines that been fined have paid for those fines. The people who pay for that in the end are Canadians who live around those airports and have to put up with a lot of noise and air pollution which they feel is absolutely unfair.

Another issue that I put forward comes from consulting with communities in Brampton, Etobicoke, Mississauga and North York, for which I give them credit, and that is to use the moneys or part of the moneys that we will be getting from these fines and channel them back into the local communities in order to come up with better noise abatement procedures or to basically reinvest them in the fight against airport noise.

It was very similar to the efforts of our colleagues on this side of the House in terms of the many petitions that we are gathering, myself included, and in terms of the confiscation of drugs. Not all those moneys go back to general revenues in Ottawa where you never see them again, but they somehow find themselves rechannelled back to the local police and the local organizations responsible for the real fight against drugs.

Taking a page from that book, we are advocating that if we are going to increase the fines levied against the airlines, and if we are serious about having those airlines pay those fines, it would be a novel idea to somehow, with proper accountability, use some of those moneys that have come from noise violators to advance the cause for a better system at the airport to monitor and to fight those noise violations.

I thought it was a novel idea. I thought it showed good faith on behalf of the communities, and I thought it would have showed good faith on the part of the government to say: "Those moneys are not going to go in some black hole, but because of the fact that they have been raised through noise violations, we will be pumping those moneys, or part of those moneys, back to the problem so that hopefully with the passage of time the situation will be ameliorated rather than aggravated".

A further point that we advanced in terms of an amendment was one that we also had recommended as part of a metropolitan Toronto Liberal caucus task force several years back, two years to be precise. The Liberal members of Parliament from metropolitan Toronto and area came up with what I thought was a very articulate and creative set of recommendations for the government in terms of combating and managing the problem of not only airport expansion but airport noise. One of the central recommendations that we put forward was the creation of an airport ombudsman, for lack of a better title.

• (1330)

The frustration we have right now is that when there is a noise violation and when a constituent or an individual homeowner wishes to complain, they usually pick up the telephone and one of two things happens. Either the line on the other end is busy or they get to talk to a tape recorder or an answering machine. That obviously causes a great deal of frustration because once again the complaint goes nowhere, the frustration and anxiety of a community increase, the confrontation therefore be-

tween that community and the airport or the airport manager is heightened and you have a situation that obviously spells some doom and gloom.

What we are talking about is the management of the problem, managing the reality of the noise complaints that invariably will come with the likes of an operation with the capacity of Pearson International Airport.

What we are talking about is being realistic. We did not wish to create titles for the sake of creating titles or spend money for the sake of spending money. What we wanted to do was improve the system. We wanted to improve the response. We wanted to let people know that somehow there was someone on the other end of the system cognizant of that frustration who could react to it. We wanted to systematically put something in place that would respond to it generically, rather than a tape recorder taking the distraught message at two o'clock in the morning that the windows were shattering because some airplane from Jamaica was coming in once again at Pearson International Airport.

If you are talking into a machine what is going to preclude another airliner, the next morning at two o'clock, from doing the same thing?

You have a situation in which there is a sense of helplessness out there. It is not only in this problem. It is basically rampant across the country in terms of that one citizen saying "What can we do in face of the system? Why should I vote? Does it make any difference?"

This ombudsman position would be symbolizing that the complaints are important because they will be monitored and become part of something or a pattern that we need to analyse and dissect in order to make life a little easier for those surrounding communities.

We talked about that in a task force report two years ago and I reintroduced the amendment at committee stage. It was ruled out of order in terms of being outside the purview of the bill, but once again I appeal to the minister and to the government benches not to lose sight of that role. It would not only help the people living around the airport but it would improve the administration and the headaches that the airport manager at Pearson International Airport has to deal with each and every day.

The other fact of life is the whole question of curfews. In a letter to me dated October 25 the Minister of State for Transport responded to my letter which I had raised on behalf of constituents in York West in terms of the noise problem. She said: "I must stress that there are no curfew hours at Pearson airport. However, large air carrier jet operations are restricted between midnight and seven in the morning".

There is a debate on whether curfews should be mandatory at an airport like Pearson. I fall on the side that they should. The line is that certain kinds of aircraft generation, the more modern ones, are more silent or quieter than the large DC–8 stretches. They are.

An average homeowner living around an airport has not seen an airplane yet that does not make a lot of noise. That is a fact of life. Because of the different generations of planes some are permitted to land between midnight and seven o'clock in the morning. Therefore it causes problems on a practical basis.

Individuals are awakened in the middle of the night on a regular basis by aircraft for one reason or another coming in at all the wee hours of the night. If we put ourselves in the shoes of those homeowners who need to get up at six in the morning to go and make an honest living, it would not be too much of a pleasure to get up at two, three, or four o'clock in the morning because of a number of aircraft coming in.

I ask the minister once again to take a hard look at the whole question of night curfews.

Canadians living around the airport understand situations such as an emergency landing, an extraordinary situation in which a plane is unable to take off from point *a* or needs to land in point *b*, or a situation involving the Red Cross. What they do not understand are situations which sometimes become more than the exception. To some of them aircraft travelling at all hours of the morning looks like the rule more than the exception.

I stress that we need to re–examine the whole question of curfews and whether they ought to be more strictly applied. I believe that the evidence points toward a much stricter enforcement of a curfew at the major international airports.

Another method of trying to manage the noise is the fair alternation, particularly at Pearson International Airport, of planes landing and taking off at the various runways. If I could take a moment to simply localize the problem, it is one that is particularly felt in the south end of my riding.

Whenever planes use runway 24L–06R as opposed to 24R–06L it means that the aircraft only fly over the Humberlea community, which is the whole south end of my riding. Those residents have not been asking for the elimination of 24L, the elimination of planes landing there when wind conditions are such that they have no other alternative, or the elimination of emergency landings on 24L. They are asking for a more or less equal alternation between 24L and 24R so that we are sharing the burden of the noise, rather than simply localizing it over one area.

There is no secret why a lot of aircraft use 24L. It happens to be the runway that is closest to the terminal. I know that aircraft wish to reduce their fuel consumption by taxiing for two minutes rather than 15 minutes. I understand that aircraft want to provide maximum convenience to their passengers by getting them into the terminal in under five minutes rather than taxiing for 15 minutes.

What the airport, the department and the airlines also have to understand is that if we are always going to land predominantly over one runway it means that one section of the entire affected area has the problem. That is unfair.

It is like taxes. Why is there a tax revolt? It is in part because taxes are a bit too high, they are up to here and we are living to pay government. However, there is also a feeling that some people are not pulling their weight and that some are pulling more than others. We are all prepared to pay our fair share, but when someone or some group does not that is when you get a revolt. Some of the shoulders of the working middle class are feeling inordinately heavier at this time.

It is the same in this situation. Why should the community of Humberlea in North York be saddled with most of the problem when we can to try share the problem of airport noise?

I have written the minister a number of times. I am pleased that she has responded, but the problem still exists. We need the minister and the department to strictly enforce the requirement with air traffic controllers and airline captains that there be an alternation between our runways and that planes not necessarily get to the terminal by the quickest and cheapest way. That is only one side of the equation. The other side happens to be the people who are burdened with the by–product of that noise problem.

I wish to thank the community groups that have come forward and testified. I would particularly like to thank Mr. John Doherty of the Council of Concerned Citizens, the Etobicoke Federation of Residents and Ratepayers Association, and acknowledge the concern that also has been expressed by groups in Mississauga and Humberlea, Mr. Gilbert Parrotta from the Humberlea Community Association, as well as Jack Sweet and Ted Wray from the Oakdale Residents Association. They have been vigilant in the face of a parliamentary secretary who dishonoured himself with a constant barrage of questions to these community groups, questioning their legitimacy or credibility, as did some officials of the department.

• (1340)

There was an article in *The Mississauga News* on October 16 in which the Director of Communications for Pearson International Airport, Mr. David Austin, basically inferred that it is: "Only a small clique of people who have problems with respect to noise", inferring that the majority around the airport are happy.

I can say that both the parliamentary secretary, with his cavalier attitude, and Mr. Austin, with this kind of allegation, are dead wrong. These community organizations have no vested interest other than that of representing the views, on a voluntary basis, of their neighbours and their communities. They have come forward in good faith to represent those individuals and get a fair shake. That is all they ask; no special treatment, just a fair shake.

On the Liberal side we not only accepted their testimony but asked them to testify. For a parliamentary secretary to question the credibility of community organizations at every turn does not do justice to a govern-

ment that says that it wishes to consult the public about all issues and decisions it has to take.

In summing up, I would like to say that Bill C-5, concerning the fines levied against airlines for noise violations, is good. However, that is only one aspect of a much wider battle we must wage in the war against airport noise for the benefit of Canadians who happen to have their castles in the communities that make up the hinterland of an airport.

We also need to take time when discussing airport expansion, management and transportation to be cognizant of those taxpayers. They are being fair and are being responsible. They are not asking for the demise of air travel. They are not asking for Pearson to close. They are simply asking us where we can, in whatever way we can, to balance the needs of a very complex society between the users of the airports and the residents who happen to live them.

I do not think that it is not an unfair request nor does it mean that it is impossible to come up with a solution. I think we are talking about the elements of a solution. It behoves Parliament and the government to look at them.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to speak on third reading of Bill C-5, an act to amend the Aeronautics Act and to amend an act to amend the Aeronautics Act.

I do so as a member of the Standing Committee on Transport which had the responsibility to review this legislation. At the outset I would like to echo the comments of the Minister of State for Transport and compliment my colleagues from all parties on that committee. I think we proved once again that Parliament and the parliamentary system can work.

The government brought forward a piece of legislation that was good to begin with. It had some flaws. We were able to correct one of those flaws by agreement of members of the committee. A clause that would have reduced the amount of notice for objections was returned to the original time period of 60 days to deal with the realities of northern Canada for the benefit of aviation operators up there who needed the extra time to find out what changes the government was making.

As has been pointed out, we also increased the level of fines for corporations that violate, among other things, noise pollution guidelines. We attempted to reduce the fine to the individual because so often the individual is really just following company policy. If it is a pilot who is being told to ensure on-time delivery or being told by the company: "We do not care what the rules are, you have to land after a certain time or land more quickly" we did not feel that the level of punishment was appropriate. However, the government rejected that change. It did agree to increase the fine to $25,000.

The one change that really proves that this place can work is the one in which we, by unanimous consent, agreed to consider an amendment that was beyond the scope of the bill but was wanted by all parties, the government, and certainly by airline employees. That is a decision to give the government the right to regulate the hours of work of flight attendants. Currently the government has the right to regulate the hours of work of the front-end crew—the pilots, the engineers, the people who drive the plane—and it does that. It has prescribed a maximum work day of 15 hours.

Unfortunately flight attendants are not currently regulated. As we have found out, the flight attendants' prime responsibility is not the serving of food and drinks but ensuring our safety during take off and landing, both in terms of the in-cabin requirements of baggage stowage so that we have proper egress in the event of an emergency and making sure that we are wearing our seat belts, but also during an emergency landing and evacuation when it is their job to get us out of that plane safely.

I want to put on the record two examples that show why regulation is needed and why we cannot leave it to the collective agreement process to decide on these matters.

The first is the case of Nationair 10. On December 3, 1990 Nationair flight 680 left Mirabel at 0900 hours. It arrived at Fort Lauderdale at 1230. This aircraft and its crew were scheduled to begin the return flight to Mirabel at 1430 and finally arrived at Mirabel at approximately 1730 on the same day. This would have meant a total duty day of about 9.5 hours.

The return flight was boarded in Fort Lauderdale at 1400 hours. The captain then announced a 45-minute delay because extra meals had to be brought aboard as there were more passengers than expected. It was not long before passengers noticed mechanics working on one of the engines. This began a series of events that led to the flight attendants determining that they were too fatigued to handle safety situations properly. This was

partially due to the extreme agitation and stress symptoms being exhibited by the passengers as well as by their own physical state and exhaustion. It was aggravated by the pilot's own lack of understanding of the situation and his state of mind, probably brought on by his extremely long duty day.

The crew had spent the entire day on duty dealing with concerned and agitated passengers. The passengers were boarded and deplaned three times in total and they were kept for most of the time on board an aircraft that had no air conditioning. They were also not informed of the real reasons for the delay.

As a result, the passengers were extremely agitated on a number of occasions. Some became so overwrought that they were literally screaming to be let off. Some, in their eagerness to get off, left without their luggage. Others waited on the jet way, smoking. By the time the captain ordered the crew to shut the doors and leave behind any passengers not aboard the aircraft this particular pilot had already been on duty for at least 16.5 hours. He had a further three to four hours ahead of him. He was in a very stressed condition. Some flight attendants were so concerned about his ability to make decisions that this became a major reason for their refusal to operate the flight.

It subsequently was revealed that the flight was not mechanically fit to leave in any event. The mechanical problem was serious enough that specialized help was needed and the engine could not be fixed until the next day. The departure would have also violated security regulations specifying that luggage had to match the passengers on board. A number of passengers had already left the airport and the pilot wanted to leave others standing on the jet way while their luggage was still on board.

After exercising their right to refuse when they were ordered by their pilot to work a total of 18.5 hours, and possibly more, in a single continuous duty period, the 10 flight attendants were fired. Nationair is now suing each of them for the amount of money it claimed to have lost because of their refusal to work, over $120,000 each.

That is one example of the realities of the industry that demonstrates why it cannot be left to the collective agreement process to provide protection, not just for the workers but for all who travel, whether it is on Nationair, Air Canada, Canadian or what have you.

The second example I want to read into the record is dated January 1990. It is a letter addressed to the Canadian Union of Public Employees and the Ministry of Transport, as well as to another individual.

• (1350)

To Whom It May Concern:

I am writing to you with safety concerns of a flight I operated earlier this month.

On January 8, I was scheduled to work Vancouver to Honolulu, check in was 8.15 a.m. At approximately 2030 on January 7, I received a call from Crew Scheduling informing me that I would now be deadheading to Winnipeg, working Winnipeg to Vancouver, then Vancouver to Honolulu, and that the flight was departing at 3.15 a.m. January 8. Briefing at 2.15, less than six hours notice. By the time I packed and made two phone calls it was 2130. I fell asleep sometime after 2230, and had to wake at 1 a.m. The Winnipeg flight was two hours and twenty minutes of which I dozed for, at the most one and a half hours.

When landing in Vancouver, and finding out that the company had no intention of replacing us, my thought was that I would not make it. We took off from Vancouver at 11 a.m. I almost fell asleep in my jumpseat. Three hours into the flight, I felt like I was in a dream, everything was in slow motion. If there had been a fire, or a medical emergency, I really don't know how fast I could have reacted. By the time we landed in Honolulu, I had at the most 4 hours sleep in 32 hours. I thought to myself: "Please get us down safely". It was all I could do to stay awake.

It is frightening to experience feeling totally useless when you know that a lot of lives could depend on you. What is even more frightening is knowing that the front end crew were also in the same situation. After the flight I asked them how much sleep they had, the flight engineer said 2 hours.

I feel we were lucky this time, but when will our luck run out? At what cost are we placing our passengers' lives? I'm sure you will recognize this situation as a potential safety hazard and do everything you can to prevent it from happening again.

The transport committee and this House has acted. I say thanks on behalf of all of those men and women who look after our safety in the skies and on the ground for the work that they do in protecting us. I say thanks to the House of Commons, the minister, her staff, the department and the Official Opposition for accepting my motion to give the government the power to regulate hours of work of flight attendants. It is in our own best interests.

I have one final comment. The next step in this after the other place considers this bill is the drafting of regulations. I know that will be a matter of negotiations

between the Air Transport Association, Canadian Union of Public Employees and the Government of Canada.

I would urge the other place to give speedy passage to Bill C-5. I would urge the minister and her staff to give speedy consideration to the negotiation of the hours of work of the flight attendants because it is in all of our interests that that law be put in place as quickly as possible and the regulations that implement it be drafted and gazetted. We know that will take some time but the sooner we get at it the better it will be because we do not want this question at the bargaining table. I have already been told that Air Canada is planning on trying to negotiate a longer length of day at the next round in September.

The clock is ticking. I urge the government to act very quickly.

Once again I say thanks. It has really been a good day for Parliament and an even better day for airline employees.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to assure the House leaders that I will be very brief. I will try and make this less than two minutes because I respect the fact that we are trying to get this bill through the House of Commons by 1 p.m.

I do want to support everything that the Minister of Transport has said today as well as my colleague for York South—Weston and the member from the New Democratic Party. But I must put on the record that the problems with noise abatement are not just with our major airports in this country.

In my particular riding the problem that we are having now is that planes are coming to the Island Airport and they are using the Don Valley Parkway which is a body of land almost right through the centre of our city. Many residents are complaining that there is a lot of attention given to the noise problems at Lester B. Pearson while the problems in terms of noise and hours of work at some of the smaller airports are being forgotten. I would appeal to the minister who has put this bill through the House so efficiently to not forget the smaller airports such as the Toronto Island Airport where we are getting an overabundance of planes early in the morning and late at night. As you know, that artery goes right through the centre of a heavily populated urban area. So I am going to be happy to report to my citizens' group this weekend that thanks to the efficiency of this House the bill went through in one day, a couple of hours. That should make a lot of people very happy.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

An hon. member: On division.

Motion agreed to, bill read the third time and passed.

* * *

[*Translation*]

TRUST AND LOAN COMPANIES ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Loiselle that Bill C-4, an act to revise and amend the law governing federal trust and loan companies and to provide for related and consequential matters, be read the third time and passed.

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BANK ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Loiselle that Bill C-19, an act respecting banks and banking, be read the third time and passed.

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INSURANCE COMPANIES ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Loiselle that Bill C-28, an act respecting insurance companies and fraternal benefit societies, be read the third time and passed.

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CO-OPERATIVE CREDIT ASSOCIATIONS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Loiselle that Bill C-34, an act to revise and amend the law governing co-operative credit associations and to provide for related and consequential matters, be read the third time and passed.

[*English*]

Mr. Phillip Edmonston (Chambly): It is with great pleasure once again that I return to the four bills which are before us. The bills of course are C–4, C–19, C–28 and C–34. They are bills which relate to the regulations and rules which will redefine the powers and ownership structures of Canadian financial institutions.

We are looking at some major legislation here which had a beginning back in 1985 through the report of the McDougall green paper, in 1986 with the Hockin blue paper, the draft trust bill which was in December of 1987 and furthermore the Canadian Senate report of 1992 which was titled *Towards a National Market and Finance Services*.

Previously I had said that this is a bill where we put our best minds together, supposedly where we worked on the studying of 2,428 clauses relating to these four bills and where we had a great deal of potential to actually create a major improvement in the way we regulate financial institutions.

An hon. member: We did.

Mr. Edmonston: I hear already from the other side from the hon. member for Mississauga East, I believe, that we did. I disagree. I think we did not. I think we had a great chance to show average Canadians that we were on their side. Unfortunately we came up with mediocre legislation. As a matter of fact I was referring to how my colleague, the member for Nickel Belt, had referred to the member for Mississauga. The member for Mississauga had been the chairman of the committee. He was dressed—I am speaking rhetorically—in his wizard's costume with his wizard's hat. He churned the cauldron in order to make this brew for financial regulations. He said that we could not put anything more into it and that these changes would not be allowed. "We do not want to have pro–Canadian consumer type legislation".

• (1400)

I am sure my hon. colleague will say: "Now wait a minute, Phil, it is a question of who you consider to be consumers. Trust companies and banks and such institutions are consumers and we have to look out for their interests as well." To a certain extent I would say that is true but I believe that the interests we are looking out for mainly are not the consumers' interests but in a very large sense—larger than necessary—they are the interests of the large corporations.

It seems that the elephant has given birth to a mouse and the mouse is a very mediocre one at that. I do want to say some positive things though about the bill because there are some things that are good in it.

We welcome Bill C–34 which is an act to revise and amend the law governing co–operative credit associations. Coming from Quebec it would be unthinkable to be against a bill which would improve the situation of our caisses populaires for example.

[*Translation*]

I was quite surprised and pleased that a few of my colleagues pointed out that the caisses populaires are not limited to Quebec. The caisses populaires movement and Mr. Rouleau's group also exist in all the other provinces.

An hon. member: There are also the Caisses Populaires Desjardins.

Mr. Edmonston: Yes, I know. But for the caisses populaires in general, I understand that 1,400 branches hold assets of nearly $44 billion. Moreover, the caisses populaires are the largest employer in Quebec.

It is for that reason I congratulate the government on its efforts to regulate the caisses populaires so as to better harmonize their activities, and make them more deeply rooted in the community.

We support the clauses of the bill that deal with consumer protection and the way that the review committee or the protection committee, which is called the audit committee, was set up. It is good that some regulations stipulate that the majority of the members of these committees must not be affiliated with the company's directors.

We are especially pleased to see that the members of this review committee or shareholders interest protection committee are independent individuals, because that is extremely important. Madam Speaker, I do not know if you ever attended a board of directors meeting as a shareholder and were not overly pleased with the information that you got from so–called independent individuals, from people who could have informed you

on the financial condition of your organization—maybe it is a caisse populaire, I do not know—because the people who provided you with the information and the organization itself were not independent or open enough.

I believe that we have really taken a step forward with this bill in that the people who will inform us of the true condition of these financial institutions must have a certain independence.

There are some good things in these four bills that deal with financial institutions, but there are also certain flaws. My political party and I, as a member of Parliament, are not at all pleased that this reform plan contained in the four bills fails to deal with the harmonization of our domestic markets and our regulatory authorities, which are fragmented.

I think that because of deregulation, we are seeing a kind of wheeling and dealing between jurisdictions. Madam Speaker, I know you are aware of the differences between the way federal and provincial jurisdictions approach financial institutions. Sometimes the companies end up totally confused. Federal regulations are so strict that these companies do not know what to do, and sometimes they practically have to seek the protection of various provincial jurisdictions. For instance, in Quebec the regulations for insurance companies are not the same as the federal regulations.

This is not to say that one is better than the other, but there are differences. There is no harmonization, and it is because of this lack of harmonization that insurance companies or other companies may face a lot of problems. I find that intolerable, especially considering the increased emphasis on sensible consultation. It is quite simple, really. We just put our heads together and say: Well, how can we accommodate the companies? Can we accommodate the wishes and the needs of the general public and at the same time protect the public?

I think we can, but in this bill—actually we are talking about four different bills—we have failed to harmonize what should have been harmonized. I think we could have done better. For instance, in addition to the bills that have already been introduced, this government could have introduced a bill that would allow banks to sell insurance. This is no big deal! In Quebec, they have been doing it for ages at the Caisses Populaires Desjardins. They sell insurance.

As a former president of the Automobile Protection Association, I supported the *Mouvement Desjardins* in this respect because I thought it would make the industry more competitive in Quebec and, as a result, reduce the cost of insurance—yes, competitive—and also make all parties in the insurance industry more responsive to their customers.

That is exactly what happened. It didn't happen overnight, but for almost ten years, the Caisses Populaires Desjardins have been competing in the insurance industry because in Quebec, they are allowed to sell insurance contracts, including automobile insurance, to their customers. A number of my constituents in Chambly wrote to tell me they felt prices were very competitive at the Caisses Populaires Desjardins, and they were also very satisfied with the service they received. Even when they compared the Caisses Populaires with insurance companies elsewhere, they felt it was very healthy to have the caisses populaires compete in the insurance sales field.

Interestingly the predecessor of these four bills was Bill C-93, which ended up being split into the bills now before the House: C-4, C-19, C-28 and C-34.

• (1410)

I may have given the wrong number for the bill, and the hon. member for Mississauga may be able to help me shortly. Originally there was a clause to allow banks to sell insurance, and I hope that my colleague will agree with me, because I read it. They had the right to sell insurance. But today, I do not know, maybe because of our sorcerer's apprentice with his sort of soup made in a cauldron, we do not have this clause to allow banks to sell insurance. I am disappointed, because people often say that is plain common sense. Even we in the NDP would like to see competition and we found it was an excellent suggestion from the federal government, from this government, to have a clause in this bill allowing banks to sell insurance, because the Caisses Populaires Desjardins have not abused their right to sell it. Service has improved as a result of this competition. But unfortunately somewhere, for some reason, I do not know, this government which advocates and wants to promote competition and to protect consumers has refused to allow banks to sell insurance to their customers.

An hon. member: Fortunately.

Mr. Edmonston: One of my Liberal colleagues says "fortunately". I think that it is unfortunate. If it works well in Quebec, it can also work well in other places. It is plain common sense, no more and no less.

We could have done better, as one of my colleagues already pointed out. We could have required credit card issuers to calculate interest differently, in the way that the hon. member for Mississauga suggested to us in his Bill C-236, I believe. This bill would have credit card issuers calculate interest only on the unpaid balance rather than on the whole amount borrowed. This means that if you owed $500 on a credit card and paid $250, the issuer could charge interest only on the unpaid $250.

An hon. member: They wanted to do that!

Mr. Edmonston: No, they did not want to do that. It is too pro-consumer, too revolutionary, if I may say so. It may have been too NDP for this government, I do not know. I would say that their approach does not make much sense, since most of our constituents are in favour of our proposal. I am sure that most hon. members agree that when the government proposed these four bills to protect us, to help us, to regulate financial institutions, it forgot to protect the people at the bottom. Is it an oversight? I prefer to say that it is. I am not talking about the banks and other financial institutions; I am talking about people like us who use credit cards.

Even if we pay $250 on a total of $500, we still have to pay interest on that $500 today. That is disgusting, unacceptable, anti-consumer, illogical and unfortunately, it is really sad to see a government omit or overlook such a thing.

[*English*]

I am disappointed by these four proposed bills. I compared rhetorically my hon. colleague, to the grand wizard putting into his cauldron, his soup, all these different resolutions, all these 2,400 and some clauses, supposedly harmonizing the system, which it does not. I believe it creates a more favourable atmosphere for the large corporations to merge. Rather than making the system work better, I think it is going to work less so.

The government could have done better. It could have done much more to protect both institutions as well as everyday Canadians. I am sad because I think the bill had great potential. We could have done so many things and we did not.

The government is always asking: "NDP, Edmonston, Audrey McLaughlin, give us some examples. What would you do?"

Initially I said I would lower interest rates. I would lower interest rates on credit cards. Take a look at the credit cards. The minister said he had. He did no such thing. Take a look at the prime. The prime has hit an 18 year low. It is low. What are credit cards at?

When the minister of consumer affairs is asked what he is going to do about the difference in credit card interest rates and the prime rate, which is over 10 percentage points, the minister says—now follow me because this is logic which I am not quite sure I understand; it is very short, I am just giving a resume here—"The costs associated with their use are varied and complex and consumers should consider other more favourable forms of credit".

An hon. member: Like what?

Mr. Edmonston: Is that not throwing in the towel? Is that not saying: "I am sorry, I am the Minister of Consumer and Corporate Affairs but really I am the minister of corporate affairs". That is what he is saying. "I cannot help you. Go someplace else".

Finally what I am saying, Madam Speaker, is that the government could have done much more. It could have been much more evolutionary. I am not even asking it to be revolutionary. When we look at Bill C-4, Bill C-19, Bill C-28, and Bill C-34, unfortunately the government elephant laboured long and hard but it gave birth to a mouse and a mediocre one at that.

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I would like to congratulate my colleague from the riding of Malpeque on her hard work, along with other members of the committee from all sides of the House, as well as her work with the government side in order to make sure that this bill will become a reality.

For the record I would like to give her credit for her work, especially in the area of consumer protection, to ensure that there is a complaint mechanism put in as part of this bill. I would like to congratulate the government on adopting this proposal in their bill.

As a result, we have a fairly good bill that, hopefully, the House will approve and send to the Senate as quickly as possible.

Having said that, Madam Speaker, I discussed with the hon. member her views on this proposal and asked her about some of the amendments she tried to introduce. She brought to my attention a fairly impressive amendment. I would like to say that I was somewhat surprised that the government would decide not to proceed with her proposal.

• (1420)

The amendment deals with the use of plain language when it comes to trust companies or banking industries putting out information to the consumers or to their customers. I understand that the government is resisting because it feels it might be a little late to adopt such a proposal.

I would like to suggest that perhaps while the bill is on its way to the Senate the government side could consult with the Senate and make sure that it adopts such a good, interesting and very well balanced proposal.

I would suggest that my colleague from Malpeque, Prince Edward Island does her research very well. Obviously she has looked at other places here in Canada as well as in North America before she made her proposal. She informed me that Alberta already has legislation on the books although there is still a bit of work to be done before it will become an effective law. Also she has informed me that in New York there has been legislation which allows the use of plain language and it seems to be working extremely well.

I am quite surprised that the government decided not to adopt such a proposal in light of the fact that more and more the Canadian public is aware of the need for plain language, whether we are talking about politicians communicating with their constituents or whether we are talking about regulations being put into place.

The reason why that use of plain language is extremely important is because, as you know, Madam Speaker, with an illiteracy rate of approximately 38 to 40 per cent, one could not help but say: "The least we can do, when we are trying to communicate with the people and make their life a little simpler, is provide them with information that is useful and that can be read easily".

Having said that, I would like to move on now to speak about banking and its relationship with consumers and the financial situation that we are faced with here in Canada. I cannot help but address the question of the over-all picture rather than focusing on the narrow end of what we have before us in terms of legislation.

The legislation is good. The proposal is excellent. We would like to see amendments made to it but if that is not feasible perhaps over the next few years we will be able to deal with those amendments in a little more effective way. However, we have to look at what we have before us in terms of the industry and its relation to consumers.

First I would like to say that we should be all very happy and optimistic about the fact that our banking industry is one of the best banking industries in North America, perhaps anywhere around the world. All of the credit should go both to regulators as well as to the industry itself. The industry has played a leadership role in weeding out any kind of potential difficulties. The regulators have been working in conjunction with the industry over the years trying to co-operatively come up with proposals that are not only satisfactory to the banking industry but also protect the interests of consumers.

What we have seen with the government proposal is another good example of the co-operative work that has taken place between both the private sector and the government sector in this field.

Looking at the banking situation or the financial situation I cannot help but look at the people who are using our banking industry over the past few months and indicate that there is a reason for us to stop and take note of the kind of difficulties that exist out in the community.

Going back just a little to November 20, I would like to bring to your attention a statement made by Canada's chief financial services regulator who appeared to be a little pessimistic about the weak economy. In his speech Mr. Mackenzie, the Superintendent of Financial Institutions, told his audience that due to the situation in housing, real estate and retailing, "there is a deep pessimism going through the banking community that I work with".

I thought at the time it was a rather strange coincidence that if we have to paint a realistic picture of what is going on, if we have to build public confidence, if we have to move aggressively in controlling inflation and reducing interest rates and injecting more life into the economy, that a statement like this would be made.

I put my hand on a piece of information that was published by the Department of Consumer and Corporate Affairs. It deals with bankruptcies for the month of October 1991. During that month, you will be unhappy to learn, we had a total of 974 bankruptcies. That includes areas such as the manufacturing industry, construction, transportation, storage, communications and other utility industries, the wholesale trade industry, industries that deal with retail sales as well as business service industries, among others. In fact, there is in excess of about 20 different groups.

The annual bankruptcies to date are about 8,000, of which approximately 1,800 have taken place in the retail industries. There is in excess of 1,200 in the construction industry, about 700 in the manufacturing industry, 474 in the business service industry and so on.

I took those figures and I thought well, these seem to be the major areas where we have large numbers of companies going bankrupt. In particular, the bankruptcies are in the construction and manufacturing industries. I compared it to the statement which was made by Michael Mackenzie, the Superintendent of Financial Institutions, that there seemed to be a deep pessimism going through the banking community. I think he was referring to the fact that there are a large number of bankruptcies taking place in those industries that really deal with banking. As you know, Madam Speaker, when an industry manufactures wood or steel or whatever component that is to be used in the construction industry, the construction industry will build homes and the consumer will go out and buy those homes. As a result of that, he or she might go to a bank in order to borrow money.

So the wheel of the Canadian economy in a lot of ways is as good as the wheel of the construction industry as well as industry as a whole. So whenever there is a deficiency in the construction industry, you will know that is a bad indication and is a cause for alarm.

As I mentioned, I looked at those figures and I went to a fairly recent report published by the Economic Council of Canada to look at the exports and export-dependent employment dynamic services here in Canada. I looked at the export share of total output in terms of the percentage.

• (1430)

To give an indication, when we look at areas such as rail, truck and other transportation and storage industries and combine the total in those areas in terms of employment, in excess of 60 per cent of all jobs are export related jobs.

If we look at bankruptcies in Canada, in the transportation industry as well as related industries, we find that out of about 8,000 industries about 600 have gone bankrupt.

Moving on to wholesale and trade, there is about 11.8 per cent export share of total output in terms of jobs in the export trade. The total number of industries in the retail sector that went under is about 1,800, that is out of about 8,000 bankruptcies so far in the industry.

By looking at those two components by themselves, one can see immediately that many of those companies which trade internationally are creating jobs locally. When those corporations are having difficulties and are going under, automatically the jobs that are provided by those companies are going to disappear.

All I wanted to do was give an idea of the fact that while there are a large number of jobs here in Canada that depend to a large extent on the amount of trade our industries are doing abroad, the better we equip those industries to do well abroad, the more protection we will have for the jobs here in Canada.

The bankruptcy figures show that a large number of corporations are going under and the other book which was published by the Economic Council of Canada, 1990, indicated the vast majority of those jobs actually deal with exports. We will automatically come to the conclusion that in order for us to deal with the socio-economic problem we presently have here in Canada, we have to improve the situation for those very same companies that are trading abroad.

That brings me to the nasty subject of the high dollar value. I would suggest that we could spin our wheels for as long as we want, but unless we come up with a proper policy that deals with or balances the value of the Canadian dollar as well as the inflation in Canada, we are not going to be able in the short term to turn the wheel of the economy in such a way that we can move forward and address the question of high unemployment and the question of slow economic growth.

To that extent there is a direct correlation between economic renewal here in Canada and the reduction of the value of the dollar so we can allow those companies to compete internationally and protect those jobs.

In the city of Ottawa, for example, if we look at the figures from January to October 1990, we had approximately 1,230 bankruptcies.

An hon. member: That is a shame.

Mr. Harb: My colleague from Toronto says it is a shame. It is a shame. The picture gets even more bleak when it is compared to 1991. Here in our region we had in excess of 1,748 bankruptcies. That is an excess of 500 more bankruptcies than we had last year.

In the province of Ontario in the past 12 months, from November 1990 to October 1991, there were a total of 25,414 bankruptcies.

The picture in Ontario is no different from the picture all across Canada. For example, for the same period you will be disappointed to learn that over the past 12 months, from November of 1990 to October 1991, we had in Canada in excess of 64,052 bankruptcies. That is not a good picture.

I do not like to bring bad news always to the attention of the Canadian public or to the attention of my colleagues in the House of Commons, but I want to take this opportunity to say that while the federal government has a responsibility to address the value of the Canadian dollar and balance it with a controlled inflation rate, I want to turn a little bit to the province of Ontario. The government has done a disastrous job when it comes to dealing with a proper strategy for proper economic growth in the province of Ontario.

Last month, for example, Ontario business bankruptcies soared to a dismal 315 after a slight decline in September, and personal bankruptcies jumped to 2,782 from a 2,369 figure a month before. The total bankruptcies have increased by up to 17.4 per cent.

If you ask me why that is, I would say that there is only one simple reason: the NDP government of Ontario has deceived the people of Ontario on two fronts. Going into the election, it promised the world to the people of Ontario, with the hope that the people of Ontario believed it and saw in it an alternative at the time. Were they ever deceived. The government had a majority and as a result of that the business community had a lot of issues, a lot of bones to pick with the government.

The government as soon as it was elected had a look at the situation and said "We cannot deliver". That is fine if it came to the public and told the public that it cannot deliver on promises it made. As a result, the business community could move on with the realization that the NDP government of Ontario, which misled the electorate in the past election, cannot deliver on its promises. The business community could start investing in Ontario.

As it is now, it is a catch–22 for the business community. On the one hand, it is not too sure about what to expect from the province of Ontario and so it is not investing. On the other hand, on a daily basis we are seeing bankruptcy after bankruptcy taking place all across this province.

It is time for the government of Ontario to stand up and tell the people of Ontario that it is not going to be able to deliver on the promises made in the past election: "We fooled you".

The end result is that we could perhaps, as one of the largest provinces in this country and as one of the provinces that used to be one of the richest in this country, get on with our lives, both as the public and as the business community, and start investing in the economy.

I am saying all of this to demonstrate that by no means can we just blame the federal government for the lack of initiative when it comes to the high dollar policy.

I think a big part of the blame has to go to the largest province in Canada and that is the province of Ontario. I

say the province of Ontario because historically the province of Ontario has been the engine of economic renewal in the country.

Madam Speaker, I notice you are giving me a signal that my time has ended. I would have loved to move on to cover other aspects of the discussion we are having today but I will give in and say thank you very much.

• (1440)

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I just have a brief comment as somebody who from a disinterested point of view watched the last election in Ontario.

I have just heard some absolutely amazing statements made in this House with respect to that election. If there was any deception in that past Ontario election, it was the deception of a provincial Liberal government which came into that election claiming that there was a surplus in the financial accounts of the province of over $20 million. When the books were opened after the election, even the Liberal minister of finance, the Liberal treasurer of the time, had to admit that there was a massive deficit, not a surplus.

An hon. member: Shame. Shame.

Mr. Langdon The total for the Liberal mismanagement of that period was $2.7 billion as of that year. As a result of the spending programs which had been put in place by that Liberal government, the deficit was going to come in at over $8 billion this year.

Some hon. members: Hear, hear.

Mr. Langdon: What happened instead was that the New Democratic Party government of the province did two things. First, it decided that it was important to put some spending controls into effect. There had not been a treasury board under the years of Conservative or Liberal rule in the province of Ontario.

An hon. member: Shame.

Mr. Langdon: There had not even been a board to control expenditures in the province. There had been no cap on expenditures of health care outside Canada. Hospitals in the United States from coast to coast used to rip off Ontario residents. The Ontario government put a cap on those expenses.

Second, the Ontario government said: "We will not be able to do as much as we would like to do because of this massive mismanagement which the Liberal government had hidden. Instead we have established a program to help the economy back on its feet".

It is striking that as the unemployment rates have continued to go up in every other province they have decreased in the province of Ontario thanks to the excellent budget that was put into effect in that province.

Madam Deputy Speaker: I did allow the hon. member for Ottawa Centre to go slightly beyond what was being studied this afternoon. When the hon. member for Essex—Windsor rose and answered part of his speech, in all fairness I let him comment as well. It would useful to the Chair and to the House if the hon. member for Ottawa Centre would find a way to come back to Bill C-4.

Mr. Harb: Madam Speaker, that is exactly what I was doing but I ran out of time.

I want to look at the bad situation in Ontario as a result of the provincial government and bring it into the main stream to show how it was part and parcel of the difficult economic situation we are facing in Canada.

Since the hon. member asked me the question, if it was so good in the province of Ontario why would it need someone in Ottawa to apologize for what it has done over the past year? You only have to look at the variety of promises made over the past two and a half years and examine their delivery of them.

I just have one more comment because he made a reference to the deficit. If you look at the—

Mr. Boudria: And tax on tombstones.

Mr. Harb: My colleague from Glengarry—Prescott—Russell is mentioning the fact that the province of Ontario is imposing a tax on tombstones. That is another revenue generating mechanism.

My colleagues talk about the deficit of Ontario. When the government changed from a Liberal government to an NDP one there was a deficit of $750 million. Now there is a deficit in excess of—what is it now?

An hon. member: Over $10 billion.

Mr. Harb: There is over a $10 billion deficit in Ontario. If you compare it to the national deficit it is perhaps higher than the national deficit per capita. However, to say the least, for my colleague from Windsor to be an apologist for the mistakes and errors of the provincial government—we will leave that for another day.

Mr. Whittaker: On a point of order, Madam Speaker, if the member is finished his tirade, I am just going to point out that this has nothing to do with the financial bills and I would like to get on with the debate.

Mr. Blenkarn: Get after Langdon the next time.

Madam Deputy Speaker: The hon. member may have heard the Speaker asking the same thing because at one point I really thought we had moved the House of Commons to Queen's Park.

Mr. Jim Peterson (Willowdale): Madam Speaker, I can understand why the hon. member from Windsor felt it was necessary to come to the defence of his leader in the province of Ontario. He did not do a very good job but he did the best that he could with the subject.

The bill before us is probably one of the most complicated bills with which this Parliament has ever had to deal. It is a long awaited overhaul of Canada's major financial institutions.

I know of no subject which is more complex in terms of the details involved. This is because of the evolving nature of our financial industries.

In the good old days, perhaps a decade ago, there were the so-called four pillars: banks, trust and loan companies, insurance companies and security dealers. Everybody knew what those institutions did more or less. They worked in discrete, isolated areas and they were not competitors. Each sector had a partial or sometimes a complete monopoly in its own field.

Over the last decade or so, the barriers between our four major types of financial institutions have been broken down. They have merged into each other's businesses. The law we see today is a recognition of the breakdown of those four pillars. The point is not whether we want to go back a decade to the way things were when it was more simple because we cannot go back, the barriers have been broken.

The bill we see before us does not eradicate all of the walls. Some of the four pillars are still maintained. Not all of the financial institutions can go into the business of all of the other financial institutions. That is why there is so much complexity in this law and why it is so difficult for us, as members of Parliament, to say: "My goodness, we have done the perfect job".

We have to be humble in what we have been able to achieve because when these barriers are breaking down there are always going to be some institutions claiming that we were not fair to them, that they were not able to get into certain areas that others can, that they do not have the competitive advantages that other institutions have.

Having approached this bill with a certain degree of humility, because of the difficulty of bringing the law up to date with the economic realities of the 1990s, let us also congratulate the members of the committee who worked so hard to make these bills possible. I want to go on record to congratulate our member for Malpeque who has taken a very hard working and constructive role in this entire debate.

• (1450)

There are three main aims of this new legislation. One is to provide better services to the borrowers and depositors in these institutions, to owners. Second is to ensure the safety and soundness of these financial institutions. The third objective is to ensure that in the global view our institutions can be competitive both domestically and internationally.

Let us look at the first of these objectives, better service. In the time available I cannot go into all aspects of this objective, but I want to touch on a couple of them. Does this bill deal with the interest rates that can be charged to users of credit cards? Today in Canada the prime rate is 8 per cent, the lowest it has been in 18 years. Thank goodness it has come down. Thank goodness the government has brought it down, because it was this government that put the rate up so high in the first place.

Have the interest rates on credit cards come down? They are now in the range of 19 per cent and higher. This is an enormous spread and I have not heard enough evidence in this House to justify why these high rates must be paid by credit card users.

This bill does not deal with it and that is an obvious deficiency in this bill.

Another area in terms of better service to the public is addressed by a bill that was introduced by the member for Malpeque. She was able, with the co-operation of government and opposition members, to have it passed. If customers have a complaint they now have a statutory right to go to their financial institution and make that complaint, and if the financial institution does not respond they can then go to the superintendent. This is now written into the law. It is an empowerment of consumers to help ensure that they are treated fairly by these regulated institutions.

As for safety and soundness, I again want to commend the member for Malpeque who brought in Motion No. 47. This again was agreed to by all members of this House. It is an amendment to the bill at a very late stage which encourages employees to come forward and report on accounting procedures. It says they will not be penalized in any way if they go to the auditors and explain things which possibly management or the institution itself do not want the auditors to know.

This is important in ensuring the soundness of our financial institutions because we had testimony before us that, had the proper accounting procedures been used, we might not have had the Standard Trust disaster. We might have been able to avoid the problems that occurred in our two western banks.

The more that individuals can be encouraged to come forward and be forthright with the auditors, to put the auditors on notice, the more it will contribute to the soundness of our financial institutions, which exist not only to serve their owners but the public as a whole.

We cannot claim total success in terms of updating this legislation because there is still a certain anomaly which exists, and maybe this was inevitable. There are trust and loan companies in this country which are bigger than banks which in effect take deposits and make loans.

However, unlike banks they do not have to be widely held. Parliament in its wisdom said that banks must be widely held in order to avoid some of the conflicts of interest that may arise from time to time.

This was one of the very difficult issues for us to deal with because there are some very large trust and loan companies and they are being very well and soundly managed. However, they have sprung up under single ownership.

I am sure that the question we are going to have to come back to within a couple of years is whether, because banks must be widely held, with no one owning more than 10 per cent of the shares, the same requirement should be imposed on trust and loan companies. The bill did not deal with this particular aspect.

Another area which is probably beyond us as the Parliament of Canada, but which is highly regrettable, is the whole issue of regulation of our financial institutions. There are federal loan and trust companies, federal banks, and provincial loan and trust companies. There can be a federal loan and trust company doing business in the province of Ontario. The province of Ontario seeks to regulate under its own laws those trust and loan companies, and the Ontario laws may be totally or somewhat different from the federal laws in certain areas.

In addition to that, Ontario will regulate the federal loan or trust company's business, not only in the province of Ontario but right across Canada.

If we are going to have safety we also need efficiency of regulation. That means harmonization of our federal and provincial laws as they relate to our financial institutions. We are a country of 26 million people. If we want to be competitive does it make sense that we should have 11 different laws regulating these financial institutions? Surely, in the interest of efficiency and competitiveness, as Canadians we could find a way to regulate our major financial institutions at only one level. This is a goal that we as a Parliament and we as Canadians from coast to coast should be seeking to achieve.

The third goal of which I spoke is that of international competitiveness. Here we get into the issue of what foreign financial institutions should be able to do in Canada. What can they do? I have never been completely convinced that by opening up Canada to total competition from abroad for our financial institutions that we were helping strengthen our own financial institutions or that we were better equipping our financial institutions to compete here in Canada or in foreign jurisdictions.

When we changed the Bank Act in the early 1980s to increase the number of Schedule B, Schedule II or foreign banks coming into Canada from a very small

number to something like 60 I remember wondering at that time what we were doing. Were we allowing these foreign banks to come into Canada to cream off some of the top accounts, the multinationals, the ones with connections outside this country that had lots of security outside Canada, and leaving the homeowners, the farmers, and the small businesses for the Canadian banks? I was quite worried about that.

When Parliament in its wisdom passed the law to allow the foreign banks to come in here we on the finance committee said at that time: "Let us be sure we monitor these foreign banks to make sure they are not just cherry picking, to make sure they are increasing the competitiveness and to make sure they are doing their fair share in terms of small business, farmers and homeowners".

I regret to say that type of monitoring has not been carried out. Therefore, I think one of the expectations, which was greater competitiveness with the benefits filtering down to the smaller borrowers, was denied to us.

Did this opening up of Canada to more competition from foreign banks give us greater access to other countries in the world? The main country we are concerned with is the United States. Did we, by opening up Canada to American banks get a greater right for Canadian banks to compete in the United States? As a result of the free trade deal which took down additional barriers, did we get the same type of rights in the United States that we gave Americans in Canada? No, the member for Burlington is absolutely wrong. We did not get reciprocal treatment for our banks in the United States to American banks in Canada. What we received was national treatment. National treatment is very different from reciprocity. Let me explain this.

• (1500)

By allowing American banks to come into Canada, they get access to nation-wide branch banking. They can set up their branch banks right across this country. Did Canada get that right in the United States? No.

Just recently a bill passed Congress that we had hoped would grant Canadian banks branch banking across the United States. We did not get it. So as for reciprocity American banks in Canada can have branch banks nation-wide while Canadian banks in the United States cannot. That is lack of reciprocity number one.

Lack of reciprocity number two is that U.S. banks own securities dealers, a company like American Express. We can say it is not a bank but they own large securities dealers. Can Canadian banks go down to the United States and own a securities dealer? No. We have real problems with that.

The third area is that under this new legislation that we brought in we have American banks in Canada that own insurance and trust companies. Can Canadian banks going to the United States own savings and loan or insurance companies or trust companies down there? In other words with this bill the reciprocity gap that existed previous to this bill for Canadian financial institutions *vis-à-vis* American banks has been widened. How does this lead to enhanced competitiveness?

I am also disappointed that this bill did not deal with what I think is probably the greatest travesty in terms of the administration of our financial institutions and which I think is a blight on our reputation for being an even-handed and fair rule of law nation. With the granting to American Express of the AMEX Bank of Canada licence and breaching five out of the nine guidelines set by this government, Canada showed the world community that friends are granted rights and privileges not available to anyone else.

We have spoken a number of times about what went on and how the pressure came from American Express. Through its massive support of the government in the last election on free trade, American Express lobbied to open up the border for financial services. American Express did not want to qualify as a bank in the United States for U.S. purposes because had it qualified as a bank it would have had to get rid of its major securities company. It was not regulated as a bank in the United States.

It was probably because of the tremendous support given to the government by American Express that this government was prepared to breach five of its own nine guidelines to allow that bank licence to be issued. This is even after our diligent public servants in Canada had held the application up for about 27 months.

Does this bill do anything to deal with this type of issue? No. If American Express were to apply today they would still be in breach of five of the nine guidelines.

All I can say is thank goodness that this bill does not retroactively legitimize what was a terrible breach of trust toward the Canadian people by this government. It was a granting of benefits to friends. It was a benefit which it would not have given to anyone else. Thank goodness this bill does not legitimize retroactively that type of operation. Neither does it go far enough to deal with a government that may choose again in the future to be arbitrary and to favour its friends at the expense of all other people who apply in honesty and good faith and in the expectation that Canada is a country in which the rule of law applies and it will be applied equally and fairly to all applicants.

This bill cannot be considered to be the be all and the end all. There are many issues which have not been resolved. It has been a good human attempt to deal with what I think is one of the most intellectually complex areas in the world. This is because of the breakdown of the old four pillars and the melding of them and our attempt to achieve equity and balance among those four within Canada. We have attempted to deal with the new realities, at the same time ensuring that the needs of customers, borrowers and depositors will be met. At the same time, we have attempted to ensure the soundness and the safety of these institutions because more than anything else Canada's banking reputation must rest on a sound basis and sense of security. That is why we cannot have any more of the AMEX bank licences because that makes us look like a banana republic.

This bill does attempt to deal with the competitiveness issue both within Canada, among these four institutions competing against foreigners and outside Canada with the ability of these institutions to compete abroad.

My feeling is that where we have not made the best of this bill is in this competitiveness area. There are people in Canada who still feel—and I am one of them—that foreign financial institutions have greater privileges in Canada than we are getting in their countries. I will end immediately. We have seen only a decade ago that our banks were among the top in terms of assets on a global basis. We now are lucky to have one in the top fifty. We have a long way to go. Let us as a country take steps to ensure that our banks and financial institutions serve the purposes of which we have spoken.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I am going to resist the temptation to respond to the previous member about the sins and inequities of his brother in power. It probably is not worth pursuing that subject further.

What I would like to do seriously is to congratulate the committee which worked on this legislation. I want to particularly congratulate the member for Nickel Belt who has been our representative through what has been an extremely difficult marathon slog of four pieces of complex legislation. Each piece had many different interested parties which wanted to have their say. It has been a difficult process for all members of that committee. I congratulate them.

Since he is in the House I want to say that the chairman who is the member for Mississauga South did an excellent job in this particular case. He was previously on the finance committee and now he is chair of the subcommittee or legislative committee, I forget which, that took on this bill in this session. He was better known as the terminator from GST days. We have however a set of bills in front of us which put into effect three important philosophies. We have first and perhaps most important a new philosophy which says that we will permit financial institutions in this country to be much more interconnected than has been the case previously. It will be possible for banks to own insurance companies and for insurance companies to own trust companies. There is an attempt to erect supposed walls in the actual operation of these institutions but, frankly, I am sceptical about whether those walls will be as soundproof and as hermetically sealed as the people who brought this legislation forward suggest. I think not. I think we are going to see much more in the way of conglomeration of our financial institutions.

• (1510)

The second piece of philosophy which marks these three bills is much more emphasis on self-policing in the regulation of these institutions. That too is something which the government has defended strongly but something which in my view carries with it considerable risks. There is a risk that the self-policing will not be done. We have seen in this country recently a series of unfortunate events with respect to both banks and trust companies. We have seen the collapse of two of our western banks.

We have seen the takeover and shut-down of the Bank of Credit and Commerce which was a foreign-owned bank which was implicated in a whole series of scandals and fraudulent activities in other parts of the world. We have seen the collapse of Standard Trust. We have seen the teetering on the brink which is taking place with Central Guaranty Trust which just announced this week that it is selling 25 of its branches because of financial pressures.

In the cases that we have been able to probe into in places like the finance committee we have discovered that there have been serious problems. We found in the case of the Bank of Credit and Commerce here in Canada for instance that the Canada Deposit Insurance Corporation's rules were not followed in all cases in that foreign bank's operations here in Canada. We found in the case of a number of the trust companies which have been affected by financial pressures in recent years that loans had in fact been made which put into effect investments that could not be justified by the extent of the loan or the riskiness of the venture which was being supported.

In some cases we have been dealing with the collapse of the real estate market. That has been the case especially in Alberta and a major piece of the explanation of the bankruptcy of those two banks in that part of our country.

That has not been the only problem. There has been a failure to recognize the need for strict financial security. Despite this experience and despite the experience of our cousins to the south, the United States, where the collapse of dozens and dozens of savings and loan enterprises has cost the American treasury and the American people close to $320 billion U.S., we still have a philosophy that says that we can let these financial institutions police themselves. I am sceptical and my party is sceptical.

Some hon. members: Hear, hear.

Mr. Langdon: There are actually people here listening.

An hon. member: Very intently.

Mr. Langdon: It is shocking for a Friday afternoon. The third point which has to be stressed—

An hon. member: We just wanted to wake you up.

Mr. Langdon: I put these points forward in all seriousness, despite some of the interplay which has taken place from side to side here.

There is also a commitment on the part of the government, in this case, to have ownership rules that will become progressively stricter as the institutions involved become larger.

I think in practice this is going to become extremely difficult to put into effect. We will find that as an institution grows it is not going to find it easy to suddenly reduce its ownership level from say 30 per cent down to 10 per cent and so the regulators will be asked to give exceptions and those exceptions will be extremely difficult to accept.

The likely results of this set of bills in front of us are first, a much more concentrated set of financial institutions in this country, much more concentration at the top of the financial system.

Second, we have failed to deal with the question of appropriate control of foreign banks like the Bank of Credit and Commerce which did not follow some of Canada's rules.

Third, we are going to see ourselves with institutions much more vulnerable, I believe, to collapse, as we have experienced in the case of banks and trust companies and as I believe we will experience more in the future.

Finally, I think we are going to see that with the emphasis on self-policing there will be too little supervision of these financial institutions. The financial institutions of any country are crucial, not just in the general economic progress of the country, but in the development, in taking us effectively into new areas of growth and new areas of change. That is why we need good financial institution legislation.

I am pleased with some of the advances in this legislation, but certainly my party and I are unhappy that there are areas such as those I have been mentioning that have not been tackled. This was the chance to meet the challenge of tackling those problems. What we have is compromised legislation in front of us which responds to the larger voices of those who represent our financial institutions instead of responding to the logic of economic development in our country.

Some hon. members: Hear, hear.

• (1520)

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: Pursuant to order made Tuesday, November 26, the first question is on Bill C-4. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

Madam Deputy Speaker: In my opinion the yeas have it.

[*Translation*]

And more than five members having risen:

Madam Deputy Speaker: Pursuant to Standing Order 45(6), a recorded division on the question stands deferred until 6 p.m., Monday, December 9, 1991.

[*English*]

Pursuant to order made Tuesday, November 26, the next question is on Bill C-19. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

Madam Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Deputy Speaker: Pursuant to Standing Order 45(6) a recorded division stands deferred until 6 p.m., Monday, December 9, 1991.

[*Translation*]

Pursuant to order made Tuesday, November 26, 1991, the next vote is on the third reading of Bill C-28.

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

Some hon. members: Agreed.

Some hon. members: No.

Madam Deputy Speaker: All those in favour will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

Madam Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Deputy Speaker: Pursuant to Standing Order 45(6), a recorded division on the question stands deferred until 6 p.m, Monday, December 9, 1991.

[*English*]

Pursuant to order made Tuesday, November 26, the next question is on Bill C-34. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the third time and passed.

[*Translation*]

Madam Deputy Speaker: It being 3.20 p.m, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

ACT OF INCORPORATION OF METROPOLITAN GENERAL INSURANCE COMPANY

MEASURE TO AMEND

Mr. Jean-Robert Gauthier (Ottawa—Vanier) moved that Bill S-6, an act to amend the act of incorporation of Metropolitan General Insurance Company in order to authorize its continuance under the laws of the province of Quebec, be read the second time and referred to Legislative Committee H.

He said: Madam Speaker, Metropolitan General Insurance Company was incorporated under chapter 51 of the Statutes of Canada of 1956, and it is governed by the Canadian and British Insurance Companies Act.

In April 1987, Metropolitan Life Insurance Company, a major mutual life insurance company whose Canadian head office is located right here in Ottawa, acquired Metropolitan General Insurance Company.

Metropolitan General Insurance Company is a direct underwriter of automobile and home insurance whose agents deal directly with customers without going through independent brokers. The premiums collected by that company all come from Quebec.

In 1990, the total value of the premiums collected by Metropolitan General Insurance Company was $12.2 million, and the company had 26,281 policies in effect.

Following net losses of over $5 million in 1989 and 1990, the parent company of Metropolitan General Insurance Company announced in January 1991 that this subsidiary would cease operations at the end of March 1991, unless it found a taker.

On June 4, 1991, the Commerce Group Insurance Company of Saint-Hyacinthe, in your riding, Madam Speaker, which is an insurance company incorporated under federal statutes and one of the two corporations in Commasur Inc., the leader in the field of fire and casualty insurance in Quebec, acquired Metropolitan General Insurance Company. After the takeover, and in order to strengthen the financial situation of Metropolitan General Insurance Company, the Commerce Group Insurance Company bought $9 million of capital stock in Metropolitan General Insurance Company, whose capital and surplus thereby more than tripled.

The Commerce Group Insurance Company does business exclusively through insurance brokers, while Belair Insurance Company, another member of the Commassur Inc. group, like Metropolitan General Insurance Company, deals directly with customers without the intervention of insurance brokers. Belair Insurance Company is incorporated under the Quebec Insurance Act.

Metropolitan General Insurance Company, a direct writer of insurance, wants to continue under the laws of Quebec in order to merge with Belair Insurance Company, also a direct writer of insurance.

The management of Metropolitan General Insurance Company believes that it can offer more competitive products and improve services to policyholders by merging with Belair Insurance Company, a company well-known and well respected among the insurance-buying public in Quebec. With its computer system and its distribution network of 35 sales offices, Belair Insurance Company will absorb an increase of its premium volume at low marginal cost. The synergistic effect of the merger should bring a positive contribution to the Commassur Inc. group's profitability over the next few years. As well, the acquisition of Metropolitan General Insurance Company by Commerce Group Insurance Company Inc. and its merger with Belair Insurance Company will ensure that more than 40 jobs, which would have been lost had the company discontinued operations, will be saved.

In order to be continued under the laws of Quebec, Metropolitan General Insurance Company must be authorized to do so under its basic legislation, and this can only be done through a private bill before the Parliament of Canada. At a special general meeting of shareholders held on November 5, 1991, the continuation of Metropolitan General Insurance Company under the laws of Quebec was unanimously approved.

The proposed transfer of jurisdiction of Metropolitan General Insurance Company is clearly beneficial to its shareholders, customers, and the general public.

In concluding, perhaps I may say that the Commerce Group Insurance Company is located in Saint-Hyacinthe, in the riding of Saint-Hyacinthe—Bagot, and that I sponsored this bill at your request. I want to thank hon. members for their co-operation, because they agreed to a number of exceptional measures that would allow this bill to be adopted today.

[*English*]

Mr. Phillip Edmonston (Chambly): Madam Speaker, it is really with great pleasure that we are able to support this bill mainly because earlier today I had talked in this House on the subject of financial institutions and how there is a problem of harmonizing between the federal and provincial regulations. When you have a company trying to meet the requirements of the federal statutes and regulations and trying to meet the requirements of provincial statutes and regulations, you get a kind of jungle where there is really no clear way to go. I look at the 40 jobs that this bill will save that would otherwise be lost.

• (1530)

I also look at what we call in Quebec *gros bon sens*. This is a bill of what I consider to be *gros bon sens*. As a Quebecer and as a consumer advocate and a member of Parliament for Chambly, Quebec I am proud to speak on it today. I think we speak with one mind on the necessity of this bill and also the urgency with which we need to get this bill adopted and passed through this House. Therefore I just wish to tell you, Madam Speaker, and perhaps the people who are watching us today as they do many days that many times this House can do something extraordinary. They can speak with one voice on legislation which it considers urgent and necessary.

I would like to conclude with that.

[*Translation*]

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the second time and, by unanimous consent the House went into committee thereon, Mrs. Champagne in the chair.

The Chairman: House in Committee of the Whole on Bill S-6, an act to amend the act of incorporation of Metropolitan General Insurance Company in order to authorize its continuance under the Laws of the province of Quebec.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Madam Deputy Speaker: It is not often that the Speaker can also assume the role of member of Parliament, but I would be sorry if I did not thank the hon. member for Ottawa—Vanier, on behalf of my constituents of Saint-Hyacinthe—Bagot, for accepting to steer this bill through the House.

I can assure you that there are a lot of people in Saint-Hyacinthe and in the area who are very happy tonight, and I am grateful to you for that.

[*English*]

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, may I just take a moment to say on behalf of your constituents that they should be very happy. You have done an excellent job of steering a bill through the House of Commons. It is never an easy task but you did it well.

[*Translation*]

Madam Deputy Speaker: Since there are no more bills before the House at this time, I think we could call it four o'clock.

Some hon. members: Agreed.

Madam Deputy Speaker: It being four o'clock, this House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 3.33 p.m.

HOUSE OF COMMONS

Monday, December 9, 1991

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

NATIONAL HERITAGE DAY

MEASURE TO ENACT

The House resumed from Monday, November 18, consideration of the motion of Mr. Gardiner (p. 4875).

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I am pleased to be able to rise and speak on this motion brought forward by my colleague from Prince George—Bulkley Valley. I would like to compliment him on bringing it forth at this point in time in Canadian history. It is important that he has seen the wisdom of reminding Canadians that we have much to be proud of. We must at this point in our discussion of the Constitution and our constitutional problems take time out to be proud that we are Canadians and that we have a heritage that is rich and quite frankly worth bragging about.

Next year will be Canada's 125th anniversary. I think it is very appropriate that this motion is before the House so that it can be passed and that the first Canadian heritage day can be celebrated during our 125th anniversary.

One of the things I think makes Canada unique is the fact that most Canadians have roots in many parts of Canada. Although there are times when we have regional differences and different points of view, most Canadians when they look back at their family backgrounds have roots in all regions in Canada.

In my own family my grandfather, grandmother and my mother were born in Quebec. They came from the southern townships of Quebec. I have roots in Alberta where my father settled in Edmonton. I now have roots in British Columbia where I have lived for 40 years.

Because Canadians have roots in all parts of Canada we should have a national heritage day. It should not be a day that celebrates simply British Columbia or Quebec or Nova Scotia, but a day which emphasizes that we are all Canadians and that we have a heritage that is important to remember.

There is no area in Canada that does not have a rich heritage. My own municipality of Surrey, which was named after Surrey, England, is tremendously rich in the heritage of that area. People forget that it was one of the original logging areas. When we look at some of the pioneer pictures we find that particularly the north part of it was covered with massive Douglas fir. They are huge trees. The old pictures show the logging. It was nothing to have a six-foot diameter stump. The oxen and early steam engines dragged the timber out of the bush.

Fortunately for us in Surrey we have one of the best medium sized museums anywhere in western Canada if not in all of Canada. It is called the Surrey Museum. It has been able to capture and preserve a great deal of the history and heritage of Surrey. This is the heritage of the farm community which settled on the Delta between the Serpentine and the Nicomekl Rivers in South Surrey. It comes right up into the north part of Surrey, into what is now part of my riding in Port Kells. These were the original farming areas in the lower Fraser Valley. This is very good rich farming land. There are whole historical areas like the Tynhead area which has now been turned into a provincial park. This is where pioneers settled early on.

We have the Fraser River with its tremendous heritage. The Fraser River as everyone knows was the initial navigation river into the interior. It was the highway on which people went further into the interior in the exploration of British Columbia. It was a busy waterway in its earlier days and it still is for logging. Massive log booms were moved up and down that river. The lumber industry of British Columbia which has become known world-wide and is so much a part of our make-up

actually started predominantly in and around the Fraser River.

We have historical trails like the Semiamo Trail that link New Westminster right down into the United States. It was really our first north–south link with our neighbours to the south.

These are the things that even a small community like Surrey has that is part of its heritage. Surrey has a rich multicultural heritage going back many years with Indo–Canadian families, with Japanese settling in the area and more recently with large ethnic communities such as Portuguese, Italians and Vietnamese. This again enhanced the heritage of our community.

• (1120)

It would be appropriate and fitting as we move toward our 125th anniversary if Canada adopted a national heritage day. That could act as a focal point of unity right across this country. It could say to all Canadians that we are proud. We have a tremendous potential in this country. We have a rich history and diversity, but we have some common goals and we have some common things to celebrate.

Therefore I would urge members on all sides of this House to support whole–heartedly this motion put forward by the member for Prince George—Bulkley Valley so that we can pass it and that it can become law within the federal jurisdiction. Then next year, as we celebrate our 125th anniversary of Canada, we could have the first national heritage day.

[*Translation*]

Mr. Jean–Pierre Hogue (Outremont): First of all, Mr. Speaker, I wish to thank you for recognizing me.

It is a privilege to take part in the debate on second reading of Bill C–236, an act respecting national heritage day, especially since the potential impact of this legislation is quite considerable.

As citizens of this country, we have a right to be proud of our historical and cultural heritage and of the vital contribution made by the men and women who over the years have helped make Canada what it is today, one of the most enviable countries in the world.

We also have a right to be proud of our ancestry, our language and our family and religious traditions, which are so richly diverse. Together, these values reflect not only our attachment to the past but also our admiration for those who shaped that past.

Considering the profound changes taking place in today's society, especially at a time when we are trying to redefine our common future, it is imperative that governments—and each and every one of us—make a more conscious investment in preserving our history and our cultural identity.

Canada, as we all know, represents a unique mixture of traditions and symbols based on our history, our diverse heritage and our historic experience. These traditions and symbols strengthen our sense of community and maintain a continuity between our past and our future.

We have reached a turning point in our history, both nationally and internationally. The constitutional choices we are about to make will not only affect our identity as a nation but also our position in the world.

As a nation we are a confederation, and we want to remain so. This does not mean that the framework for our confederation must remain identical to what it has been so far. We must be creative and show initiative. We must start these discussions with the conviction that we are going to win, that we will create a Canada where everyone will be able to benefit from what this country has to offer.

But how do we do that? Obviously we need a good dose of tolerance and openmindedness, and both tend to increase with our knowledge of the past. Learning about our past does not mean memorizing historic facts and dates but understanding the men and women who made that past. That knowledge will put us in a better position to build our future.

Internationally we want to remain what we are: a prosperous and competitive nation. To do so, we must keep up with the rapid changes taking place in the world. Canada's future prosperity will depend on our ability to take advantage of opportunities and successfully meet the challenges of rapid change in areas such as informatics, biotechnology and telecommunications.

It may seem unusual that I should mention those three areas, considering the subject before the House today. In other words, what connection is there between technological expansion and our heritage? A very close one, because unless we have a profound sense of our heritage and the community to which we belong, unless we understand and assimilate our past, we cannot move ahead.

If we look at other countries, those that have learned from their past experience and past mistakes happen to be the same countries that are looking ahead to the future. If we want to build Canada, and if we want to build Canada's future together, we must know our roots. If Canadians are to contribute to the development and unity of this country, they must know what constitutes its foundation.

As I see it, the question is not whether Canadians should celebrate the riches of their heritage but how. Creating a national heritage day could become part of the government's efforts to emphasize the importance of preserving Canadian unity.

It is also true that adding a holiday that celebrates Canada, its people and its accomplishments would complement Canada Day, celebrated every year on July 1. We are one of those countries that tend to understate their heritage. Nevertheless, we have every reason to be proud of our background. Making Canadians more aware of our rich history and of heritage values in general would undoubtedly help to enhance our sense of community as Canadians. Canada Day expresses our pride as citizens of the confederation to which we belong, and National Heritage Day would emphasize our diverse roots and help us gain a better understanding of what was accomplished by the men and women who built the society in which we live today.

It was suggested that we should celebrate National Heritage Day on the third Monday in February, during the longest period in the year without a holiday. We have no objection. It is an excellent idea. I am sure that Canadians would be delighted to have a day's respite in the middle of winter. It would be a good opportunity to spend a few moments to reflect on what our ancestors accomplished. A chance to get back to our roots. It would also be an excellent antidote for the winter blues a real morale booster for workers and for all Canadians.

Furthermore, Canada Day is celebrated during the summer holidays but National Heritage Day would be celebrated during the school year. Our young people would have an opportunity to reflect on their country's past. With their innate curiosity and questing minds, they would make us explore areas that are too often neglected.

Parents, seniors and various cultural groups could be involved in a series of activities organized in our schools to prepare for this day.

• (1130)

If we want future generations to be proud of their identity, proud of belonging to this country, let us give them a chance to learn about the past, to gain a better understanding of the changes that occurred over the centuries and shaped the country we live in today.

However, there are other considerations, and I am referring to this country's economic interests. A holiday would be very costly. In fact, Canada would lose about $2.5 billion as a result. I realize that pride and patriotism cannot be expressed in dollars and cents, but we must be realistic.

We believe that increasing our productivity is the key to increasing the real incomes of Canadians. Considering the present state of our economy, and at a time when we are trying to make our economy more competitive, these figures should make us stop and think. Although we agree with the principle of National Heritage Day, our concern must also be for the economic prosperity of our country.

Creating National Heritage Day might also have a very substantial social impact, since this day would concern only a minority of Canadians. About 8 per cent of the Canadian population would be part of this magnificent day. Finally—I am running out of time; I noticed your signal, Mr. Speaker—to achieve a consensus in this respect we must try and develop in this country a real sense of heritage values and work together to create the kind of economic, social and political climate that such a message requires.

A national heritage day requires broader consultation, and consequently I believe that until we have found a way to let all Canadians share this pride in our heritage, it would be best to proceed as requested.

[*English*]

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I would also like to congratulate my colleague from Prince George—Bulkley Valley for presenting this piece of legislation today. I was sorry to hear from the member who spoke on behalf of the Conservative Party that he is now calling for some delay in considering such a piece of legislation.

Canada's heritage is something we cannot celebrate enough. We should be paying more attention and creating holidays such as this where we can draw Canadians to the values in this country that they should be respecting and celebrating.

At this point the fundamental basis of this country is under attack from many quarters. Many people are concerned that institutions which initially brought this country together such as Canada Post, the national railway system, VIA Rail are now being dismantled. As a result the very sinews that hold the country together are weakening and people are concerned all across this country.

The same is true of the debate around our Constitution and the separation of the province of Quebec. Many Canadians are concerned about what is going to happen to our country in the future. They want to have their concerns focused on the value of keeping this country together and on the heritage of this country that we all treasure.

People are concerned that the promises made many years ago about economic integration of the United States with Canada and other countries in the hemisphere is now being realized. As a result we are losing our national identity. At this time Canadians need something to focus on in order to recognize and pay tribute to the heritage that brought this country together in the first place.

For example, Canada is described as a country that was put together against all odds, even geography. In this hemisphere we have a north-south alignment of the geographical features, the mountains ranges and the Mississippi River valley, et cetera. All these things tend to draw our attention north and south. Yet the Canadians of many years ago built a nation across this country from sea to sea that was able to defeat the dictates of geography. It is that kind of nation we are attempting to keep together 125 years after its founding in 1867. I am hopeful that we are going to it. We must constantly focus Canadians on the value of their country and heritage. At a time when there are tensions in this country that threaten to pull it apart I am concerned that people will be looking outward and will lose concern for their country.

A tremendous number of people over many years made great sacrifices to build this country and keep it together. I think those sacrifices ought to be honoured and recognized by Canadians. A holiday such as the one proposed by my colleague, a national heritage day, is exactly what we need. Dominion Day or Canada Day is recognized on July 1, but we are one of the countries in the world with the fewest days recognizing our natural heritage. I think the more we have the better off we are going to be. We need to focus people on the value of that heritage.

Many communities across the country are already attempting to do that. For example, I live in a community that grew up around the logging and forest industry. It was a pioneering community in terms of the development of pulp and paper on the west coast of Canada and the development of markets in Asia. The community where I live was a pioneering community in terms of those things. It was a community which really did not pay attention to its heritage until it saw that there was a threat to that industry and heritage. Members in the community have now revived an old logging road system based on a logging Shay engine, what they called the two-spot. They have revived an old railway station that was about to be torn down. It has been rebuilt on the waterfront and focuses the community on an industry which was very important in building that community.

There is an old pioneer mill, McLean's Mill, in the valley that they are now putting together and rebuilding. They hope to have an old operating sawmill in that community to show people exactly how the forest industry was structured many years ago. It will show what kinds of tribulations workers used to go through to keep the machines operating and the raw materials supplied to that mill.

Many communities across this country are looking back into their history and taking things of value from it. They are reviving and emphasizing them and using them to teach children their heritage and show them what kind of values this country and its communities had in the past.

Too often over the past 20 or 30 years we have ignored our past. As a result many of the children and young people in our country have lost those values. I think this proposal for a national holiday to celebrate our heritage is a perfect idea to focus our young people on the values that we as Canadians hold and the value of our history.

It would be unfortunate if we took the view that another holiday is simply an additional cost added to doing business. The previous speaker mentioned that a statutory holiday in Canada would cost something like $2.5 billion, but that is only one side of the ledger. We all know that holidays also have an economic value to the country. Canada has fewer holidays for its work force than almost any other country on the globe. I was looking at an article recently in an American magazine where they listed all the holidays people are entitled to in various countries.

• (1140)

In Austria, for example, workers are allowed a minimum of 30 days of holidays per year; Denmark, 30; Sweden, 30; Italy, 28; France, 25; Netherlands, 24; Spain, 22; United Kingdom, 22; Australia, 20; Belgium, 20; Finland, 20; Switzerland, 20; West Germany, 18; and down at the very bottom with 10 minimum holidays a year is Canada.

Many of those countries at the top of the list are countries that are very successful competitors when it comes to competition with Canada. Holidays are not a cost of doing business. They provide value to business. People get time off from work and are able to relax and reduce the kind of stress that builds up in the work place. People get time off work and they acknowledge important holidays.

In addition, when people get time off from work, other people who are currently not employed are able to take their place and as a result we are able to reduce the unemployment level in this country. By reducing unemployment, as many of these countries with more holidays than Canada have done, we may be able to bring people back so they can feel they are playing a larger role in the country, contributing more, and that they are not a net drag on the country's resources and will be much better Canadians as a result.

I would ask all members to support this bill to create a heritage day in the third week in February. Again I congratulate the member for Prince George—Bulkley Valley who made this proposal.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I want to say how delighted I am to be able to participate in this debate. I support this bill and I congratulate the member for this motion.

Establishing a heritage day in Canada is not a new idea but it is a very worth-while idea. As a Canadian who loves this country I have always found it a mystery and a conundrum why we have so much difficulty with our identity, why we lack the unity of what is really a very successful country. This is one of the best countries in the world. Millions if not billions of people who inhabit this planet would give their eye teeth to be Canadians, to be citizens of this country.

Here we are, one of the most privileged people in the world living in one of the greatest countries in the world and we have unity problems. We seem to stress the negative. We seem to focus on the things that tend to disunite us as opposed to those things we hold in common, the things that unite us.

The fact of the matter is that unlike our friends south of the border, the Americans, we do not celebrate enough. We do not flaunt our successes enough. We do not show our pride enough. The Americans perhaps go too far because they show their pride and wear their pride on their lapels or on their sleeves. We tend to be shy and diffident. While I would not suggest that we should be just like the Americans, I think we do have to tell the Canadian story because it is a wonderful story.

Unlike America, this country was not born in revolution. We have a peaceful history. We have had peaceful evolution. We should have great pride in that. We should be very proud. We tend, however, to sit back and be quite defensive about this country. We do not have to be defensive at all. Let us go on the offensive and tell the world how great we are.

I can think of so many things to celebrate. We are coming up to our 125th birthday of Confederation and what a good time it would be to establish a national heritage day. Think of the private sector—public sector partnership we have had in this country. We have had a tremendous partnership. It is one of the reasons for the success of this country. We have not done it just on private moneys or private initiative. We have had a

wonderful and very productive partnership involving government and the private sector.

We could think of the CPR, going back to the late 19th century when we established a railroad to the west coast. We could think of the seaway we built with the help of the Americans back in the 1950s. I can think of some of the great public initiatives like the CBC established in the 1930s.

Medicare, established in the 1960s, is still one of the great public health models and is envied, I would think, in most parts of the world. It has some financial problems today but it is a tremendous model, a successful model, a model to be emulated all around the world. We have a lot of things to celebrate.

We should think of our diversity. We should think of the fact that we have been the homeland of peoples from all around the world. People have come from the four corners of the earth to be here, to live here, to establish their families here, to pursue their careers and to contribute to this country.

That is another reason why we are successful. I think we have been able to have the cream of the crop of people from all around the world. We have had the very best come here and establish their lives. We have been the beneficiaries of this immigration.

When I think of a heritage day, I think not only of our diversity but of our multiculturalism which has given us some problem. I think it gives us problems because I do not think we understand multiculturalism very well. We compare it to what is called the melting pot in the United States.

The melting pot of the United States is largely a myth. For example, have the blacks been melted? Have the Hispanics been melted? They have not. There is a tremendous amount of diversity in the United States. There is a tremendous amount of multiculturalism in the United States. The myth persists about the great American melting pot. There is a melting pot at the level of the national anthem, at the level of the *Stars and Stripes*. It is there with respect to the flag and to good old fashioned American pie. When we get beneath that the United States is just as diverse and just as multicultural as we are.

I think that on heritage day we could explain multiculturalism. It would give us that opportunity. It would give new Canadians and groups of Canadians born elsewhere the opportunity to show how great they are as Canadians.

I believe to the very bottom of my heart that it does not matter whether your skin is brown, whether your religion is Islamic, Catholic, or what mother tongue you have: French, English, German, or Swahili. None of those differences stands in the way of being a good Canadians.

When someone asks me what a Canadian is, other than the fact that we all share a common citizenship it is very difficult for me to explain it. I do not identify Canadian according to race, according to colour, according to skin or according to religion. A Canadian is one who lives here, believes in this country, loves this country, has pride in Canadian citizenship and is proud of being a resident of this country.

A heritage day something we need. I think it would give us the opportunity to tell the wonderful Canadian story.

• (1150)

It could explain where we have been, where we are at right now—and we have some difficult times right now—and where we might be going. We have Canada Day on July 1, but we could do with a lot more. It is not unusual for other countries to have a number of days, several days in honour of national heritage.

A member earlier was mentioning Austria with perhaps as many as 30 days set aside to celebrate one way or the another its heritage. In the United States, just next door, there are apparently five national heritage days. Finland has 12.

It would seem to me that this great country could afford at least to have one more day. What better time than the cold month of February? This is a cold country and it would be good right in the middle of the winter, after Christmas and New Year's Day, to set aside a day to celebrate this country. We have a lot to celebrate.

I am happy to support this private member's motion. I congratulate once again the mover. I would hope we have a successful vote so that this motion could be examined further in committee.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I would also like to speak in favour of this motion instituting a national heritage day and I

would like to congratulate the member for Prince George—Bulkley Valley for putting forth this motion.

I would like to start my remarks in context of a quote from a government publication called *Proud To Be a Canadian: A Rich Cultural Tradition*. This government publication at page 21 stated:

> A Heritage Day celebrated nationally would enhance two vital aspects of Canadian identity. We would focus on those parts of our heritage which are truly the expression of what we have achieved together, from our liveable cities to our artistic genius. And we would reach out across our many cultures to learn about and savour the differences our heritage stands for. A Heritage Day, in other words, would be a uniquely Canadian occasion to celebrate both unity and diversity.

I think that paragraph captures what the idea of a national heritage day is all about. It brings together all of those things which make us Canadians and make Canada the country that we believe in.

We have been made up over the past 125 years and before of groups of people from all over the world. We are a mosaic of people who bring to Canada our rich backgrounds, our rich heritage from other places. We bring different languages, different cultures, different ways of looking at things. Over the years we have moulded together in a country I believe we can all be very proud of.

We have our difficulties and we have our problems. We are in the middle of a national unity debate as to whether we should remain as a whole from sea to sea to sea. I do not think there is any doubt in the minds of most of us that the heritage we have has a richness unsurpassed in very short time by any other country.

I remember when I was in high school looking at what they taught us then and thinking at that time in my early teens that Canada was not or did not have a very rich background, a very rich history.

Yet as time went on, through high school I began more and more to realize and to understand how rich our history was and how enriched Canada was. The richness of Canada is something I learned about over many years of reading political history books, political biographies, excellent Canadian publications such as *Canadian Forum*, *Options*, *Maclean's* magazine, to name three, that set out what we, as Canadians see; why we as Canadians stand out in the world.

I wonder throughout this unity debate why it is not important to have a national heritage day to reflect on how lucky we really are, and how we are viewed, not only internally in Canada, but how we are viewed by other nations around the world.

In talking to people from various other countries, they have a hard time believing that we as Canadians would even consider splitting this wonderful country apart. We have so much going for us, not only nationally but internationally. Looking at our heritage, I am a firm believer that we must take that step further. We must look not only at where we have come from and what we are today, but use this to show us where we should go in the future.

If I could be parochial for a minute, I will look back at Okanagan—Similkameen—Merritt and some of the things within that riding and within the area of the Kootenays where I was born and raised, that I think are so important to our history and so important to our upcoming generations. It is imperative that we protect that heritage and remember the richness of our history, our culture, our art—both visual and performing arts—that make us what we are.

If we look at Christina Lake, there is a group right now trying to preserve and save the Christina Lake or Cascade Powerhouse. It is an important building and an important point in the history of that region. Grand Forks, whose history goes back almost as far as any other community within British Columbia, has a rich heritage in mining. They are at present in the process of trying to preserve the railway station in that area, along with the abandoned rail tracks, to ensure that our heritage is protected.

Up in Penticton we have the ongoing restoration of the S.S. *Sicammous*, one of the few stern-wheelers remaining. The other stern-wheeler in our region in the riding of Kootenay West, in Kaslo, originally the home of both my father and my wife, is also preserving the S.S. *Moyie* and have a museum within that structure.

These are important parts of our past. It is important that we look at those parts of our past to ensure that our children understand what we went through and what our parents went through, little bits of the past that help us chart the course for the future.

I also would like to briefly mention how important to our culture and our heritage is art. On the west coast, for instance, there is the art of Emily Carr, an important part of the past, linking the heritage of Emily's back-

ground with the heritage of the community that was built up around her.

All across Canada in the visual arts we have the opportunity and have seen people take the opportunity to ensure that we understand and realize not only what is occurring at that time, what has occurred before and, what I am sure will come and be happening in the future.

• (1200)

Our performing arts such as the National Ballet in Ottawa, the Royal Winnipeg Ballet, the symphony orchestras having such a hard time across Canada whether they be in Vancouver or in any other city, these are important parts of heritage. Focusing on a day where we as Canadians can recall I think is important.

A minor part of that is the need for a day off for all working people of Canada to reflect. It would not simply be to have a day off to enjoy themselves, but for a focus as we have on Canada Day, July 1. It is a focus of the richness of our past, the richness of what we have in the present and the hope that I have of the richness that we will carry on into the future.

It is important. I believe that this House should go to the next stage on National Heritage Day, iron out the bugs that are within this bill and bring it back for third reading, passage and institution. Yes, Canadians want and need a day to recall the past, to remember the present and to ensure that it is reflected in what we do in the future.

Mr. John Brewin (Victoria): Mr. Speaker, I see that there is really only a minute or so left so I will just begin my remarks. If the matter comes back for debate, I would like to complete them at that stage.

I support this bill to establish a national heritage day. It is a very important bill, and I would like to congratulate the member for introducing it. I am disappointed that at least some government members have not said they are going to support the bill. In fact, the parliamentary secretary indicated in what is frankly a rather spurious reason that because the bill only applies to employees within the federal jurisdiction, it does not apply to enough people in Canada for the government to support it.

It seems to me that the government should recognize this bill as a first step. It does deal with those with whom it is the jurisdiction of Parliament to deal. We can only deal with employees within the federal jurisdiction, and therefore, we ought to exercise that jurisdiction to its full if the idea is a good one. I know that many government members believe it to be fundamentally a good one.

With that, I notice that it is 12 p.m. Perhaps I can continue on the next occasion.

The Acting Speaker (Mr. DeBlois): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 19(93), the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

Mr. Gardiner: Mr. Speaker, on a point of order, I stand to be corrected but I think if you check with the Table, if I am not mistaken, we have just concluded the second of three hours of debate. There is actually yet another hour of debate to be had and a vote to be put on this bill.

The Acting Speaker (Mr. DeBlois): The hon. member is right.

I want only to remind the House, as I said earlier, that pursuant to Standing Order 93 the order is dropped to the bottom of the list on the order of precedence on the Order Paper.

GOVERNMENT ORDERS

[*Translation*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House proceeded to consider Bill C–32, an act to amend the Canada Assistance Plan, as reported (without amendment) from the Standing Committee on Finance.

SPEAKER'S RULING

The Acting Speaker (Mr. DeBlois): Motion No. 1, standing in the name of the hon. member for Essex–Windsor, will be debated and voted on separately. The hon. member for Essex—Windsor.

MEASURE TO AMEND

Mr. Steven W. Langdon (Essex—Windsor) moved:

That Bill C–32 be amended by deleting Clause 1.

[*English*]

He said: Mr. Speaker, let us make it very clear what is involved here for people who are concerned about this debate.

The government is attempting to extend its discriminatory freeze on Canada Assistance Plan payments to other provinces of which three have been singled out: British Columbia, Alberta and Ontario.

The Canada Assistance Plan payments to those provinces will not be permitted to increase by more than 5 per cent per year. If this piece of legislation passes, this will hold until 1995. It is a very simple bill and has, in fact, simply one clause in it. To demonstrate our complete opposition to this piece of legislation, to demonstrate how completely unfair we feel this legislation is to the three provinces which are affected, and to the hundreds of thousands of unemployed people across the country who have had to go on to welfare because of the recession which this government created, we intend to move that that entire clause be stricken from the legislation, which of course would leave the legislation null and void.

We think that is in fact the best response to this irresponsible, uncaring and totally unacceptable piece of attempted legislation on the part of a government which does not seem to realize how badly it has hurt men and women and children across this country with the approach it has taken to try to save money, an approach which I have to say in my relatively short period here, about seven and a half years now, is the most heartless approach that I have seen this government or any government take. A more heartless approach I have not seen. It first created a recession. Remember, this has been called the "made in Canada" recession. It has not been called that by those of us in the opposition, it has been called that by the government's friends. The Conference Board of Canada, which is supported by the large-scale business community in this country, said this is a made in Canada recession, brought into effect by this government and this government's failures in economic policy.

Then, having created the recession, this government decided that they would put the following into effect. They would put into effect changes in unemployment insurance which would make it more difficult for workers in those parts of Canada that are being hardest hit by this recession—British Columbia, Alberta and Ontario—to receive the unemployment insurance to which they were due given their years of contribution.

• (1210)

Let me refer to what those workers found instead of receiving a fair amount of unemployment insurance in the midst of what, in Ontario at least, has been the worst recession since the depression of the 1930s. The figures demonstrate it clearly, I say to the minister on the other side. Like so many ministers on the other side he takes the position that there is nothing but optimism to be seen, nothing but sunshine to see, despite the fact that even Statistics Canada is unwilling to announce this recession is over because it is so clear that this recession is not over and that it is damaging people from coast to coast.

They passed these unemployment insurance changes which forced people who were out of work to turn to welfare and then, to add insult to this further injury, they put into effect this 5 per cent limit on federal government assistance to welfare payments: the so-called cap on CAP, the cap on Canada Assistance Plan aid to the provinces. The consequence to the provinces has been that they have been faced with either letting people starve on welfare or paying themselves for the welfare costs of their people.

Because we are Canadians and because we believe in this country, we do not let people starve. We do not let people face the complete destruction of their lives because of the mismanagement of the federal government. Most provinces have said: "We do not like it. We think it is so unfair that we are going to try to take the federal government to court, but we will still pay these extra costs".

In the case of British Columbia the extra cost of this piece of legislation up to 1995 will be $900 million. In the case of Ontario the estimates for the first two years of this program are $1.7 billion. It is going to cost $1.7 billion in the first two years of this freeze. Alberta has the same kinds of devastating figures. Then the government turns around and blames the provinces for running deficits when what has happened is that this government has systematically forced the provinces either to let their people go hungry, to let them live homeless on the streets or to have a larger deficit which they do not like, a deficit which they would prefer not to run but a deficit

which is intended to safeguard the people of their provinces.

It seems to me that the heartlessness of this government combined with just tragic changes in unemployment insurance so far as people are concerned has led both to a financial crisis for our provinces and to devastating results for people across this country who have had to go on welfare, who have had to see their sense of dignity destroyed in many cases. These are people who have worked—I have talked to them—for 27 or 28 years for a single company and were thrown out of work by the free trade deal that the government has brought into effect. In front of us today the government wants to add insult to injury to further injury by passing this piece of legislation.

I urge this House to accept this amendment, to return this country to sanity and to make the federal government do the job that it is elected to do to safeguard the people of Canada.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, it is ironic that during the private members' hour between eleven and twelve o'clock this morning we were debating a bill about implementing a national heritage day.

I think one of our strong heritages in this country is a program such as CAP, the Canada Assistance Plan. I think it might be wise just to remind viewers what the Canada Assistance Plan is and why it was implemented.

As the mover of the amendment has already said, the CAP was enacted in 1966 to encourage the development and extension of assistance and welfare services programs throughout Canada. Under the plan the federal government has entered into agreements with the provinces and territories to share the costs incurred by provinces, territories and municipalities. This is crucial because the federal government seems to pass on: "That is a municipal affair, that is a provincial affair".

The plan specifically states: "and municipalities in providing social assistance and welfare services to needy Canadians. The primary objectives of CAP are: (1) to support the provision by provinces of adequate assistance and institutional care for persons in need". I underline "support", not cut as Bill C-32 wants to do. It continues: "(2) to support the provision by provinces of welfare services designed to lessen, remove or prevent the causes and effects of poverty, child neglect or dependence on public assistance". Again, I underline "to support", not to cut as Bill C-32 attempts to do.

Under CAP the federal government contributes 50 per cent of the costs incurred by the provinces and municipalities in providing assistance to persons who are in need regardless of the cause of their need. I want to underline that: "regardless of the cause of their need". The plan goes on to say that it enables the federal government to contribute 50 per cent of certain provincial and municipal costs of providing welfare services to persons who are in need or who are likely to become in need if such services are not provided.

The plan goes on to underline who should get help from the CAP. Persons who benefit from assistance and welfare services include children who are in care or in need of protection due to abuse or neglect, mentally and physically disabled persons. I have many mentally disabled persons in my riding. The provincial government under then Premier Davis decided to deinstitutionalize the programs for the mentally handicapped. That was a good program but it did not come with any support services. It turfed them out on to the streets, and these persons are out there with no supervision as to when they should take medication, no help with housing and so on. The provincial Conservative government abandoned them and now the federal Conservative government is abandoning these people who are in need. Then there are one-parent families, the aged, the unemployed. Let me share what is happening with the unemployed in the Toronto area, specifically in Parkdale—High Park. People with university education are losing their jobs. They are going on to the unemployment insurance rolls. When their UI finishes they have no choice and are forced on to the welfare rolls.

• (1220)

Every time I meet with the chairman of metropolitan Toronto, Alan Tonks, and the newly elected mayor, June Rowlands, they are saying that the federal government is abandoning its responsibilities to the provinces and to the municipalities.

The CAP is to help the families or individuals in crisis. This is left up to the Salvation Army because the federal government has abandoned these people. Then we have low income workers and battered women. Most of the men in this House wore white ribbons last week, and what happens this week? The government is going to implement Bill C-32 to cut programs for battered women. One week they wear white ribbons; the next week they cut the programs. That is the sincerity of this government. It is no wonder the public is losing faith in such management and in such ruling.

Every day we see headlines of how the cap on CAP is affecting people. Turning to medicare, every day we see headlines such as: "Budget Crunch Puts Care Jobs at Risk" and "Hospitals Face Crisis".

An hon. member: *The Toronto Star.*

Mr. Flis: No, it is not *The Toronto Star*. That was *The Ottawa Sun*, for the minister's information. They continue: "Bed Closings in Hospitals to Increase, Langdon says". Here is an item from a Tory paper, *The Globe and Mail*: "Ontario says hospitals may have to merge", "Minister warns of tough times ahead", "More lay-offs are inevitable, hospitals told", "Hospital squeeze", "Cash strapped province insists on belt-tightening".

Mr. McDermid: This has nothing to do with transfer payments.

Mr. Flis: The minister says: "This has nothing to do with transfer payments". It has everything to do with transfer payments.

Now the effect of transfer payments hits education. My daughter just began university this year. The professors at the university are warning the students already that their tuition fees next year may go up by 20 per cent to 30 per cent.

An hon. member: May.

Mr. Flis: May. Let us not pass this bill and then they will not. The minister says: "May". There are other students who went to the same high school as my daughter and are not in university because they could not afford it. What a shame. Students with talent and potential cannot go on to university because of this federal government saying *nyet* to education. Yet the same government puts out a $20 million package called *Prosperity Through Competitiveness.*

My daughter tells me the first programs that will be cut at the post-secondary education level will be languages. How can we stand up in this House and say we are going to promote competitiveness? We want to be more competitive, but we cut off the languages. We are not going to speak the languages of the countries we are going to trade in. What an investment. What mismanagement.

My God, get your act together, you people on the other side. If you are going to put millions of dollars into talking about competing and being more competitive then do not cut language programs in the universities.

My daughter, Mr. Speaker—

Mr. McDermid: Mr. Speaker, I rise on a point of order. I believe the hon. member should be accurate. Education is a provincial responsibility. Those decisions are made by the universities and by the provincial governments, not by the federal government.

Mr. Blaikie: Mr. Speaker, that was not a point of order and I believe that should be pointed out.

Mr. Flis: I want to go back to dealing with our universities. My daughter is studying French.

Do you know, Mr. Speaker, how they teach French in universities? They put 100 to 200 students in a class. They give them a French textbook and they tell them to translate it into English. That is the way we teach French in our country. Instead of having small groups of 20 to 30 students so that they can learn, they are given a textbook and are told to translate. Why are they using those methods? It is not the fault of the professors and the universities. It is because the federal government has been cutting these payments and they have to stick 100, 200 or 300 students in a language class.

An hon. member: Good Lord.

Mr. Flis: That is what our education has been debased to. This same government wants to teach and spend millions of dollars so that our students will be competitive in the future. It dismantles post-secondary education and then it supports its advertising and consultant friends in order to give them jobs. Will my daughter get a job when she finishes university? She will not be able to speak the other official language the way it is being taught in the universities right now.

When I read the headlines I see another shocker. Another effect of Bill C-32 is how the transfer payments are going to affect the police. The Ontario Provincial Police is very worried. There are headlines such as "Provincial Police Face Lay-offs as a $16 million Deficit Looms", "Cutbacks Hamper Police Work, OPP tells the Solicitor General", "Budget Cuts Threaten"—

The Acting Speaker (Mr. DeBlois): Order, please. The member's allotted time is over.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I rise in support of this amendment put forward by the NDP. I am happy the Minister of State for Finance and Privatization is in the House today. I do not think he is focusing on something happening in the marketplace today which is as much a part of the economic equation of managing a country as looking after things such as fighting inflation and making sure we have a lower interest rate.

It has to do with the spirit that exists in this country today. I want to say to the minister that I recognize the interest rate is the lowest it has been in 18 years. I recognize that the inflation targets for the government are probably three or four months ahead of schedule.

Inflation in this country is practically zero. Reducing inflation is a noble objective. No one in this House would argue that point. However, the aggressive, lean, mean approach that the government has as its agenda has caused a fear factor in the marketplace today. This has caused an incredible drag in terms of the consumer confidence and spending habits.

The people out there without jobs, and even the people with jobs, are fearful they are next to go. When we hear of corporations like IBM and Dialects Diversified, institutions that are foundations within our community, going through a restructuring it is natural that it sends a shiver into the marketplace.

I talked with one of the local fruit merchants on the weekend. He runs Sunland Fruit on the Danforth. He was telling me that people are buying more and more damaged goods. In other words, a sale one or two years ago might have been $20 or $30 but now people are buying $5 or $6 worth of fruit because the fear factor is so high. They are only buying $10 worth of fruit at a time. The fear factor has really taken hold of the economy.

• (1230)

One of the instruments the government has to stabilize the marketplace and minimize some of that fear is the CAP. The Canada Assistance Plan was always meant to be a secure safety net. The 5 per cent cap on it is a symbol. Most Canadians do not understand. In other words, it exacerbates the fear factor.

What do we hear from the provinces and municipalities? We hear about all these programs, whether they are for one-parent families, the aged, the unemployed or people on welfare. Because the unemployment insurance fund has been cut back we now have many more people on welfare and we have a problem in terms of the welfare system being properly funded in terms of battered women and low income earners.

When we hear that the government is putting a cap on the Canada Assistance Plan it exacerbates the fear. In other words, are things that bad in our country that the national government is sending out such a signal to the most disadvantaged people in our society?

Earlier today we talked about the motion the hon. member put forward dealing with a national heritage day. One thing this country in terms of its heritage has had great pride in, in the last few years, is our strong social safety net.

One instrument is the Canada Assistance Plan. Even if times are bad it is one of those instruments that we do not tamper with because it sends the wrong signal into the marketplace. It exacerbates the fear factor and puts a drag on consumer spending, which is ultimately going to affect all our retailers and to cause a never-ending vicious circle in terms of our unemployment and other social services. For so long we have had absolute pride in these services and have had a sense of security that we would never tamper with them.

My point to the government is that it is sitting over there way ahead of the inflation targets. It is sitting over there with an interest rate that is the lowest it has been in 18 years, but it must also realize that one of the reasons the interest rate is so low is that the consumer spending is almost at a standstill.

I would suggest to the government that it is time to park this lean, mean machine type approach and put a little of caring back into its economic plan. I do not think anyone in this country would argue with this government's ability to be a lean, mean machine. Part of

governance is also having as part of its value system an attention to caring. I think that on this bill it should go back to its caring factor and drop this cap on CAP.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the hon. member for Broadview—Greenwood said that no one would argue with the characterization of this government as a lean, mean machine. The minister was quick to point out that perhaps the Reform Party might argue with that characterization. I think it is instructive that as lean and as mean as this government has been, the Reform Party would promise to be even more Tory than the Tories, which is something people who might be considering voting for the Reform Party should keep in mind. If they do not like what they have received from this government, it makes absolutely no sense to vote for the Reform Party which would give them an even heavier dose of what is afflicting them now.

This cap on the Canada Assistance Plan which is the way in which the federal government has traditionally cost shared social assistance programs with the various programs, is a despicable moral as well as economic choice of action. What we see here in the cap on CAP is really the government's ethical framework being revealed for all and sundry. At the same time as it refuses to consider eliminating the business and entertainment tax deduction which goes toward the financing of lunches for the rich and famous and special hockey seats for friends of corporations, et cetera, it is keen to put a lid on the assistance that goes to people, many of whom must now use food banks.

At the same time as the government is still willing to finance through the tax system very expensive lunches at very expensive restaurants, it is limiting the ability of those Canadians who must now use food banks for their lunches to further their own economic interests and perhaps at some point get themselves off social assistance.

The government also refuses to consider eliminating a number of other tax loopholes, such as the interest deductibility rule which is used by foreign corporations to borrow money here interest-free so that they can expand their operations elsewhere; the manufacturing and processing tax credit which was variously justified over the years in ways that no longer hold water but still continue to exist; the special tax treatment of capital gains; the special tax treatment for real estate developers for writing off depreciation on properties that technically are supposed to be depreciating but are actually rising in value.

There are others such as the 21-year deemed realization rule for the trust accounts that were set up in 1972 which the government has indicated it will change so that those wealthy families that 21 years ago put this money aside will be able to continue receiving that tax break.

All these things stand out in contrast to the cap on CAP whereby this government has said that when it comes to touching the rich, its policy is to make things better for them. The Minister of Finance said clearly in one of his speeches in this House that Canada does not have enough rich people. This government has certainly gone out of its way to ensure that the rich in Canada feel better than they did previously. It has changed the income tax system, which used to be more progressive than it is now, so that the top few per cent of Canadian income earners pay even less tax than they did before.

These are indisputable facts. The Minister of State for Finance can argue the contrary if he likes, but the fact is that his government did so amend the progressive income tax system that the people in the very top bracket now pay less tax than they used to. That is a fact that even the government is not willing to dispute because it was part of an intentional policy on its part.

What we have here is the contrast between what this government is willing to do for the very wealthy in Canada and what it is doing to the very poor in Canada by extending this cap on the money it is willing to make available to cost shared programs with Ontario, Alberta and British Columbia. The reason initially given for this was that these were the three wealthiest provinces and they should be able to carry this burden by themselves.

There are two things wrong with that. First, we do not unilaterally break a federal-provincial agreement that has existed for decades. The Canada Assistance Plan is a program which after many studies has been found to be, although not perfect, one of the best federal-provincial programs in the country.

• (1240)

The government is unilaterally withdrawing from this as it is from other federal-provincial programs. It is no wonder we have a constitutional crisis and a lack of confidence in the federal government. The government has taken upon itself to do all these things unilaterally, to pull out of agreements that it made years ago.

Unfortunately for the hon. member for Broadview—Greenwood and others who may have spoken to this amendment, this had its origins in Liberal governments. It was a Liberal government in 1982 that first unilaterally changed the federal-provincial fiscal arrangement when the Minister of Finance, now the hon. Senator MacEachen in the other place, unilaterally changed the federal-provincial fiscal agreements that were to be negotiated in 1982.

I do not say that to excuse the other side because it has certainly accelerated that trend. It criticized it when the Liberals started it, but it no sooner got into office than it was guilty of its own unilateral action. There was action after action after action of this type, whether it was with regard to Established Programs Financing or Canada Assistance Plan or, for that matter, other programs.

The fact is that what we have here is a trend line of federal governments getting out of agreements in a unilateral way. Unfortunately, as I say, that was started by the Liberals but it did not need to be accelerated and made much worse by the Conservatives.

Ontario and other wealthy provinces are in a very difficult position, Ontario especially right now because it has that many more people going on social assistance thanks to the free trade agreement. It is radically restructuring the economy of Ontario in such a way that there are not the kinds of jobs there used to be.

I was just reading an article the other day about how some 36 or 40 per cent of people are on social assistance in Ontario now. These people had very good jobs not so long ago, only months ago. It is a real problem for Ontario. It is very bad timing for the government to say, at a time when Ontario is going through such difficult times thanks to the free trade agreement: "Sorry, you are going to have to go this on your own even though it is a federal government policy, the Canada-U.S. Free Trade Agreement, which has created the situation in Ontario".

All in all, this is a truly despicable act by this government. Putting a cap on CAP and now extending it is a sure sign of the ethical depravity of the government on the other side which chooses, as I said before, to put limits on traditional commitments to helping the poor in Canada while at the same time refusing to close these many tax loopholes which continue to benefit the very rich.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, listening to the last speaker provoked me to rise and say something because he spent the bulk of his speech, as the members of the New Democratic Party are often wont to do, attacking the Liberal Party's record in terms of its dealing with recessions in this country and talking about the fact that the Liberals are ones who started to cut some of the transfers to the provinces.

If he would listen to what I have to say, he might learn something. Clearly his attempts at blaming past Liberal governments for this are misguided. First of all, he forgets that Liberal governments established the programs in the first place. They are the ones that set them up, not the Conservatives and not the New Democrats. The New Democrats have never had office in this country and they have not set up a thing. It is the Liberal Party, when it was in government, that set these programs in place in the first instance. For the member to sit here and dump all over the Liberal Party in the course of his speech is frankly ridiculous.

The second thing is that he should remember how NDP governments behave once they take office. We are seeing it every day in Ontario. We realize what a disastrous situation people in our province face. It is a serious crisis in Ontario, and it is more serious because of the fact that it has an NDP government which seems incapable of dealing with the situation.

One only needs to look at the vast increase in the provincial debt which is not being used to create new jobs. It is being used to pay people to do nothing. That is what the Ontario government is doing. It should be spending its money on capital projects as Liberal governments have done in the past.

My hon. friend from Broadview—Greenwood knows extremely well that in the last recession the federal

Liberal government spent billions of dollars creating jobs in Canada by funding capital projects across the country.

An hon. member: They spent money they did not have.

Mr. Milliken: The hon. member says: "They spent money they did not have". I agree that they did that, but the proper course is to borrow money and spend during the course of a recession and that is exactly what they did.

This government has continued to borrow through six years that it says are the best Canada ever had. The hon. member for homelessness says that is not so. The six years they have been boasting about as being years of unbounded prosperity in Canada and which the Prime Minister keeps talking about are the years in which they have continued to run up Canada's debt $30 billion a year.

An hon. member: Take credit for it.

Mr. Milliken: The hon. member says: "Take credit for it". I am reluctant to take credit for his government's incompetence. He knows perfectly well that his government has bungled this thing so badly it does not know which way to look. He is embarrassed now. He is starting to blush. I can understand that. He should be blushing furiously at the way his government carries on.

This is the way the Liberal Party in the past has carried on: it created and paid for capital projects to create jobs in Canada and to put Canadians back to work. Sure they increased the deficit to do it but any economist knows that is the normal practice. You spend in the tough times so that you save in the good times. The difference is that this government failed to save in the good times. It kept increasing the deficit and now it is in a position where it says: "We do not want to run up the deficit further in order to create jobs".

Then we have the NDP government in Ontario which runs up the deficit fivefold and does not create any new jobs. You know perfectly well it has not created any new jobs.

An hon. member: That is hypocrisy.

Mr. Milliken: The hon. member says this is hypocrisy. He knows what is going on in this country. He knows how his government has failed to get the deficit under control through six years. Here we are almost into year eight of Tory mismanagement and the national debt has doubled, thanks to his government he has supported throughout. That is why the government is unable to deal with the crisis it has created in Canada through its economic mismanagement.

The New Democratic Party government in Ontario is now offering peanuts to people who are on welfare. It is not able to keep up with inflation rates. After standing in this House complaining constantly about how fair the NDP is and how unfair any increase of less than inflation is, it seems once it takes office it starts acting like Tories. We have always suspected that the NDP and the Tories were in bed together. I see members opposite are laughing. They should be ashamed, not laughing. Even the minister is starting to blush again. It is a shame.

In any event what I want to deal with is the unfairness of this bill. I suggest that the amendment moved by the hon. member for Essex—Windsor is a reasoned and sensible amendment. This bill is a bad bill. It should not be approved by this House in this form or in any form.

The cutbacks the hon. member for Parkdale—High Park mentioned in his speech are real. They are keenly felt in my constituency of Kingston and the Islands. The cuts in education have been a disaster. This federal government, by making these cuts, has made it more and more difficult for the provincial governments to maintain their share of educational expenditure that is so vital in our country.

This competitiveness paper that the government is spending $25 million on is a great waste of the taxpayers' money, yet the government is so keen on indulging in it. It recognizes the need for education as a high priority to make Canadians competitive in the global environment it says is so important and is so much a part of the situation Canada is facing. Instead of assisting in education expenditures it cuts them. It cuts them in what it calls the most prosperous provinces, the have provinces of Canada, where the money is needed as much as any place else in this particular rubric of public expenditure.

If we cut funding for training and education in Canada, how are Canadians going to compete in the global environment the government says is so much a part of our system? Surely to goodness we have to continue those expenditures. We have to augment those expenditures, not cut them. This is particularly so at a time of recession when the provincial governments, including

the NDP government in Ontario, seem so keen on cutting expenditures to post-secondary institutions.

• (1250)

I was just reading in the paper the other day how the minister of education in Ontario is warning the universities and hospitals to expect a zero increase or a very low increase this next year. How can we cut funding to our educational institutions which are the backbone of our future competitiveness if we are going to put ourselves in a position where we are competitive? It defies all logic and it defies all reason.

That is the policy that is being pursued both by the New Democratic Party in Ontario and by the federal Conservative Party in government in Ottawa. It spells a disastrous potential consequence for the people of Ontario and the people of all Canada if we pursue this kind of blind and wrong-headed policy that is inappropriate for the circumstances which are based on all the government's other reports.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I must say that I also smile at the harangue from my colleague who just sat down. It is very clear that the Liberal Party shifted dramatically to the right after its Aylmer conference. Now of course it is trying to put up a big smoke screen. Its members are the ones who initiated the national debt because of their mismanagement of the economy. Many of the things that we are now seeing in the cutbacks to social programs were in fact initiated and promoted by the Liberals when they were in government.

It is quite interesting to talk about Bob Rae. He is now 4 per cent or nearly 5 per cent more popular than he was the day he got elected.

An hon. member: No, he is not. Check the polls.

Mr. Karpoff: The polls show he is well over 40 per cent elected as of last week. He is very popular and it is time the Liberals started taking a look at that.

Mr. McDermid: What hypocrisy.

Mr. Karpoff: It has been very clear that his government has the support of the people because they understand many of the things it is doing. Let us take a look at the Canada Assistance Plan and what it was designed to do.

It was designed to deal with poverty in Canada and its causes and its effects on people. It was designed to deal with a whole range of welfare services from day care to child abuse to services for battered women. These are the programs that are now being attacked by this bill and by this government.

The Canada Assistance Plan was based on a federal-provincial partnership. It was a concept that called for the federal government to be involved with the provinces in these kinds of programs. I think it is very important to remember at a time when there is anguish in this country as to whether there is any reason to keep the country together that the government has been attacking these unity programs that are based on a partnership between the provinces and the federal government.

We have to start to make the conclusion that many Canadians are now questioning the validity of Canada because of the tax on these programs.

I want to focus a bit on the whole issue of income assistance. The income assistance case loads in most provinces are up dramatically for two reasons. The first is the change to the unemployment insurance scheme which makes it more difficult for people to qualify. They are entitled to income assistance for a shorter period of time. The second is the recession in this country. It has been deliberately precipitated by the federal government through its free trade deal which has devastated the industrial heartland of the country.

An hon. member: I guess that is what caused the recession in the States too, is it?

Mr. Karpoff: The high Canadian dollar and the artificially high interest rates have certainly wiped out many of our export industries including the lumber industry in British Columbia. They are still too high compared with those of the United States.

The federal government creates these things by changing unemployment insurance and by the recession. Then what does it say? "Of course we do not want to have to meet the financial responsibility for these kinds of changes. What we are going to do is pass legislation, offloading the responsibility on to the provinces, particularly the three big provinces of British Columbia, Alberta and Ontario".

It simply limits its liability to 5 per cent at the same time as it is dumping down on to the provinces not millions but billions of dollars of expenditure. Of course it has impact. It has an impact even on large provinces like Ontario. It cripples the province's ability to provide for the poor.

It is also starting to do a couple of other things. It is undermining some of the fundamental concepts within Canada. One of the things that happened when the Canada Assistance Plan came in is that residential requirements were waived. One could move from one province to another province and be entitled to receive financial assistance or income assistance.

I remember when I first started working in public welfare in British Columbia. A whole bureaucracy was designed to track down not only the province but the municipality in which that person lived for one full year without receiving any public assistance. Then that person had to bill back the municipality and the province for the income assistance that was granted. A whole bureaucracy developed.

All of a sudden now the wealthy provinces are hearing: "If people come from Nova Scotia, from Manitoba or from Quebec, we are not going to cost share". People are now starting to say: "Maybe we should get back to the old idea of residential responsibility. A person's financial assistance is the responsibility of the province in which they last resided a year".

Without financial help from the federal government, provinces are being forced to say: "Maybe that is what we are going to have to do". All the things that this Tory government does destroys standards of national programs. In income assistance it said that one could not use residential requirements in order to restrict income assistance.

I think it is very dangerous for the government to single out individual provinces for differential treatment particularly when it comes to social programs. Then it is simply saying: "We are going to treat you differently from other areas".

Another whole area of the Canada Assistance Plan relates to family violence and child welfare. This is the most hypocritical area in which this government has functioned. It champions the whole UN year of the child and the rights of the child and then refuses to live up to it. The government makes a big announcement about the program on family violence spending $137 million spread over five years. Actually it will spend some $40 million before 1993 when it is going to be long out of government office.

Then what does it do? It takes back from those provinces three and four times the amount of money they could have used for child abuse prevention and investigations of child abuse, for battered women's shelters, for transition houses and for counselling programs for women who have been abused. These are all of the very basic programs that are necessary to stop family violence. The government guts with its limit on the Canada Assistance Plan but then does a great PR splash saying: "We are going to solve it with this money that we are going to spread out over a number of years".

• (1300)

The Canada Assistance Plan is one of the mechanisms that has a unifying effect on Canada. This government has chosen to attack it, as it has attacked other types of unifying and social programs.

The government must no longer be surprised that this consistent attack results in the questioning of the unity of Canada.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I have decided to partake in this debate this morning because of the number of comments that I have heard from the other side of the House. I would like to try to put a few things on the record.

I found it interesting when the NDP member for Essex—Windsor was up talking this morning about Ontario and how difficult it was. I am confused because I am not sure where he is coming from. On Friday, he was up defending the budget of the Ontario NDP. As a matter of fact, he was quoted in *Hansard* on page 5947 as saying: "It is striking that the unemployment rates have continued to go up in every other province but have decreased in the province of Ontario thanks to the excellent budget that was put into effect in that province".

On one hand, when he was here on Friday, he talked out of this side of his mouth, but when the debate goes the other way, he is talking from the other side. The member knows that.

The other thing that I think is important on these programs, and one of the difficulties, is that the federal government in a cost sharing program is responsible for paying 50 per cent of the costs. Yet we do not have exact firm controls as to how the money is spent. As a result,

sometimes provinces will spend money and then send the bill to us afterward.

I would just like to quote something that was in the Ontario NDP budget of this year. It said: "Total payments from the federal government were $406 million higher than the forecast in the 1990 Ontario budget. Part of the increase was for prior year claims while most of the increase reflects significantly higher levels of provincial spending on cost shared social assistance programs".

We are asking to put controls on it, but that is how it works. It was reflected in the Ontario budget. I am standing here quoting this morning from NDP pearls of wisdom that have been stated both in Queen's Park and here.

The member for Kingston and the Islands came forward and talked about the fiscal policies of the Liberals in the early 1980s. I happen to have here a quote from Donald Macdonald, a long time Liberal cabinet minister. He was quoted as saying: "I have had really limited dealings with Prime Minister Mulroney during the last three years, but on the whole, I like the Prime Minister. He has been prepared to undertake a couple of policy initiatives that politicians, including guys like me, did not have enough guts to do".

There is a comment from a Liberal cabinet minister as he looks back and reflects on his term here in the House of Commons and what has happened during the last eight years. I guess he is showing some admiration indeed for the Prime Minister.

I guess the final point I would like to make just to get this on the record is that we are talking about CAP, Canada Assistance Plan payments. In 1984–85, the amount paid was just over $4 billion. By 1990–91, it had gone up to over $6 billion. In 1991–92, it increases to $6.350 billion and in 1992, it goes up to $6.642 billion. Indeed, the numbers continue to rise. I guess the final point—

Mr. Mills: After you fix the recession.

Mr. Sobeski: I hear the member for Broadview—Greenwood. He mentioned in his speech that indeed inflation is basically down to zero. If we have inflation down to zero with a 5 per cent cap rate, that seems to be 5 per cent of pure growth.

I just wanted to put those comments on record.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, I found the hon. member's intervention very interesting. He seems totally oblivious to the fact that there has been a vast increase in unemployment. Of all the unemployment created in this recession, caused by his government, 75 per cent is in Ontario. There have been huge increases in welfare costs, occasioned by the recession that this government caused, not to speak of changes in UI and other transfer payments which have precipitated an even greater need for expenditures in the social welfare field. Those are the facts.

This member said he is going to have his last words. I hope he talks a great deal over the next few months because in all probability, very few Conservatives are going to have a chance to comment on anything in this House after the next election.

Earlier we were debating the bill to create a national heritage day. I see the hon. minister has come in to carp, and I will fish because I know he will bite. There he goes already. But I want to emphasize to you and the hon. minister that we are talking seriously about what is going on in this country.

Before he came in, letting loose with his usual interventions that are so unworthy in most contexts, I was saying that we were talking about the heritage bill this morning which would have celebrated the characteristics of this country that have made us so proud to be Canadians.

It could not have been missed. One of the things we have celebrated in Canada which sets us apart from our neighbour to the south is the extent to which Canadians believe that in fact we have a collective responsibility for one another. We believe there should not be extremes of poverty and that when people are in need, the taxpayers—that is you and I—will pool our money to help the least fortunate in a system that is based on generosity and concern.

Sometimes that is exaggerated, because when this government looks at the question of the deficit, it seems bound and determined to communicate a message that the deficit is because Canadians have been profligate in their expenditures on social programs.

Part of the reasoning behind the cap on CAP is that the deficit is in some way attributable to that Canadian sense of generosity, and we have spent ourselves into a hole by helping the people in this country who are least able to help themselves.

The fact is that of our budget deficit, of our debt, 6 per cent is occasioned by social programs. Forty-four per cent of our debt is attributable to payments or tax breaks for corporations and the very wealthy. The rest, about 50 per cent of the entire debt, is for payment of interest. The ballooning level of interest based debt is partly attributable to those very high interest rates we had in the early part of this decade, when the Liberals were in government and pumped it up in a futile attempt to try and get things straightened out again. This government must recognize that a large portion of our debt goes in payments to exactly those people who are benefiting from the so-called tax reform. If you are very rich you are going to make a lot of money on that deficit.

What are the Conservatives going to do to attack it? They are going to attack ordinary people. They have imposed a 5 per cent cap on British Columbia, Alberta, and Ontario. I suppose the presumption under all of this is that Ontario is doing terrifically well. There was a time when Ontario did not do too badly, but that was before this government came into office. That was before the free trade agreement. That was before the destructive failure of government industrial policy put Ontario in the terrible state of affairs it is in right now.

• (1310)

If we look at southwestern Ontario and Windsor, we find that there has been a 24 per cent increase in the welfare case load. Measure that against the 5 per cent cap on the CAP that this government is perpetrating now. It is a cap that has already cost the province of Ontario $1.7 billion. Therefore, we have a province that up until this government came into office was the richest and most productive industrial province in the country. It has damned near wrecked it, and now it would impose limitations on payments to those who have been hurt by the very actions of this government. What will they do? They attempt to blame the NDP Government of Ontario, which is trying now to pick up the scraps that this government has created. It is an outrage.

An hon. member: It sure is.

Mr. McCurdy: We were talking this morning about the heritage day proposition and the celebration of all that is good about Canadian heritage. There is going to be a period of our history on which we are going to reflect. It is going to be known as the dark days of Canada when a niggardly, mean Conservative government tried to follow the script of the Business Council on National Issues and Ronald Reagan and Margaret Thatcher and tried to change this country for the worst.

There is hope because on that future heritage day, Canadians are going to celebrate the day that they drummed these people out of office and saved Canada so they could follow the civilized path it followed in the past.

I understand the utterances, name-calling and silliness going on across from me between the minister and the minister of state. They are concerned, but they should not be too concerned. They will collect their pensions as they will collect the blame for what they have perpetrated over the last seven years.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I take this opportunity to present to the House a special case study that we could use as an example to indicate to this government that indeed poverty and needs are not relegated merely to the poorer provinces or the poorest towns and cities of this nation.

I represent an area that by national standards is considered one of the most affluent. I had the occasion, along with community leaders, organizations and associations concerned with individual Canadian's needs in my area, to participate in a report called *Addressing the Crisis of Human Services in York Region*.

Today I stand in the House of Commons, look to the government side and analyse what it has done with the present state of the economy. I soon realize this government has obviously lost touch with the reality of what is going on in this country. It has lost touch particularly in the area of caring and compassion.

In my area, the report that I cited earlier clearly indicated that of all the times to be cutting transfer payments to the provinces, this is the worst.

We are faced with a situation where we have single mothers and people who are suffering and calling out for help. In this government's philosophical disposition toward a market driven economy, there is no room for human compassion and caring. We have seen cuts and caps. Call it what you may, the reality is that people are not being reached by this government.

Addressing the Crisis in Human Services in the York Region in one of its recommendations calls for the federal government to work to increase the level of federal assistance to cost share human services programs. The research that we did in our area, the York region, and the analysis that we were able to compile is based on an area that by national standards is considered affluent. Let me tell you, there are people hurting and in poverty, and need sees no boundaries in this nation. What people want from the federal government is the type of leadership that will bring effective change and reach out to those people who are desperately in need.

We have 1.5 million Canadians unemployed who need help. We have single mothers who are compelled to stand with their children in front of their local food bank for their daily meal. In an area as rich and affluent as the York region, the Fire-Fighters Association, the Salvation Army and I were forced this year to have a food and toy drive.

The Conservative agenda does not work anywhere in this country. It does not work because it fails to realize that one of the most fundamental purposes of governing and government is to reach out to people when they are in need.

I want to go back to the report in the York region because we have been seriously hit by the regressive economic strategy of this government. We have seen a widening gap between the rich and the poor. We have seen an unfair tax system. We have seen during the boom years a government that accepted all the extra revenue. Now Canadians are asking why it has not been able to get the deficit and the debt under control, while at the same time Canadians have been whacked over their heads with unprecedented tax grabs.

There is an accountability problem with the federal government and people in my riding of York North and elsewhere are asking themselves how this government is dealing with communities like mine that have a high population of young families. There is an increased demand for schools, child care, family counselling and health care. They want to know from this government what it is going to do with York region, which is the fastest growing municipality in the greater Toronto area. It has the lowest per capita community mental health funding in the province. York region's Children's Aid Society has the lowest per child funding in the province. The education system is the fastest growing in the province of Ontario and schools are over-enrolled on opening date. York region has one women's shelter, one men's hostel, eight group home beds for homeless youth and it is the third lowest funded public health unit in the province.

• (1320)

This is all happening in the perceived land of the rich. There are people in my community who are hurting. I think the response we are getting from the federal government is not the one that I, as a member of Parliament, can accept. I do not accept it because I think the federal government has a moral obligation and a duty to reach out and not merely accept things as a fact of life. Because 1.5 million unemployed Canadians should not be a fact of life in an industrialized country like Canada.

We should not merely accept human tragedy and family breakups as something that occur in every day Canada. I remember when this nation offered Canadians opportunity. I remember when this country gave young people the type of hope that was required to build a prosperous nation. Today we are devastated by bad news. Today we are demoralized by a government that only cares about taking care of the few, the friends of the government, while it is punishing millions and millions of Canadians with inaction. It is watching them as they cry out for help.

That is not the way we have governed in the past. That is not the way Liberals governed. While this government uses a tunnel vision approach toward the deficit, it is doing it on the backs of the unemployed. It is doing it on the backs of single mothers. It is doing it on the backs of those individuals who need help the most.

I will tell you that Canadians will not forgive this type of attitude. They know best when their children go starving, when single mothers and single parents are lining up in front of food banks every day of the week. Canadians are sick and tired of this type of arrogant attitude that is bringing about the demoralization of Canadians from coast to coast to coast.

I ask the minister, who is attentively listening to what I am saying, to force cabinet to start looking at the human side of governing instead of looking at a bottom line that is creating despair, and not caring about those individuals who are truly in need.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I am glad to have the opportunity to speak against Bill C-32, or more particularly to speak in favour of our amendment. It would cut out clause 1 of Bill C-32 and have the same effect as defeating it.

Bill C-32 is not only a cruel bill that will affect millions of people who are in deep trouble through no fault of their own. It is also a very foolish bill and furthers what this government has already done to destroy the economy of Canada.

In round figures, this bill will probably cost the governments of British Columbia and Alberta $389 million in their 1991-92 budgets. In Ontario, it has cost $415 million in the 1990-91 budget and $1.2 billion is expected to be the cost in the 1991-92 budget.

Figures like that are so large that the average person listening has a hard time telling the difference between a million and a billion. If they get a few thousand in income in a year, that is the size they are familiar with. I want to talk a little bit about the effects.

The former finance minister brags that he will be taking more than $2 billion per year now out of the people of Canada through this cap, this lid he has put on the Canada Assistance Program. This is the only program through which Ottawa aids the neediest people in the provinces of Canada.

I want to talk first about one type of program locally in Trinity—Spadina that is being savagely cut. We have several community centres, mostly built by municipal funds and to some extent provincial funds.

Their programs for the young people, the children, the youth and the young adults are being chopped because the grants on which they have relied are being cut back or wiped out. They are asking to combat drugs among the young people by providing alternative educational programs. They are being starved for money for those anti-drug programs. They are asking for money to help young people become better job hunters. That is exactly what this government claims to be supporting, and it can usually get the money to do that.

But places like the University Settlement House, Scadding Court Community Centre, St. Stephen's Community House, St. Christopher House are trying with less and less money to serve more and more poor, destitute people in the area. They are trying to give the children, the kids in high school or dropping out of high school or even a few who get through high school, a sense of something to look forward to.

We are not getting it. We have the highest level of unemployment in Toronto since the dirty thirties. In Canada, at least 435,000 industrial jobs have disappeared in the last couple of years and half of those are gone forever.

The iron workers union in Ontario tells me that the main employment for iron workers is dismantling plants. They are not building plants, they are dismantling. It is this government that caused it with its program of inviting the buy-out of Canada.

The government brags about investment, but 97 per cent of the outside investment coming into Canada is simply to buy out Canadian enterprises. In may cases they are shut down, all the jobs are wiped out, and they take the whole enterprise except for the name. For example, they still sell Inglis washers in Canada but they are not made in Canada.

This government has caused this unemployment. In Toronto it means there has been a 30 per cent increase in food given for the Christmas season, but a 60 per cent increase in what is needed. One hundred and forty thousand people are relying on food banks for groceries, compared to 90,000 at this time last year and 60,000 of those people are children.

The question is why? The government says in effect that the workers are lazy. That is a lie. The fact is that the government refuses to tax the rich and instead asks the poor to pay the taxes that the rich are not paying. Its argument has been that if the rich get the tax breaks, they will invest the money and make jobs. In fact, between 1979 and 1990 Canadian investors sent their money out of the country. It was a little over 5 per cent of the Gross Domestic Product then and is now closer to 15 per cent. It is going out of this country in the form of investments by Canadians who got much of that money

from tax breaks given by this government and the preceding Liberal government.

These are the same. Many of them, their pals and the Business Council on National Issues, bailed out the Tories in the last election campaign by a monstrous third party advertising campaign through their subsidiary financial groups. Their reward is further tax giveaways. They are cutting job creation in Canada and asking poor people to pay the tax bill.

According to *The Financial Post* of August 29, 1990, Revenue Canada estimated that the so-called tax gap, the amount owed but not paid by Canadians, hit $10 billion in 1987, the last year for which an estimate was available.

• (1330)

I can well understand why the government is not providing up to date figures. That was almost four times the 1977 level. What it does is not only give tax breaks, but when the largest companies do not pay their taxes they can argue about it for five years in court and by the time they do pay it, they have had a five-year free loan.

The government is telling industrial workers, transport workers, clerical workers, unemployed people if they are still drawing unemployment insurance and welfare families to pay the taxes that the rich people and the rich corporations refuse to pay and are excused from paying by this government.

The government has even cut back the Revenue Canada program which would catch some of the tax cheaters. It was a huge success, earning $17 for every dollar spent in the taxes it recovered. The government has cut it back to less than a quarter of what it used to be. It does not want to catch the big tax cheaters, because those are the people who finance its election campaigns.

Shame on this government for forcing poor people to pay the taxes of the rich.

An hon. member: You are right, Dan, you are absolutely right.

[*Translation*]

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, this bill to limit the growth in federal payments to the richest provinces to 5 per cent and the amendment moved by the finance critic of the New Democratic Party to simply maintain the *status quo* reflect the lack of debate and a minimum consensus in the country.

Canada Assistance Plan spending grew much faster in the richest provinces in the last 10 years and federal transfers to the richest provinces grew much more than those to the poorest ones. This has intensified since the Progressive Conservative government took power in 1984.

In fact, federal transfers for the Canada Assistance Plan and even all federal transfers to the provinces increased more rapidly for the richest provinces than for the poorest ones, even if equalization is included.

Since 1984 federal transfers to the poorest provinces rose at a 5.7 per cent rate, while those to the richest provinces went up 7.7 per cent. Taking out equalization, which offsets this somewhat, the growth rate for federal transfers to the richest provinces would be almost double.

Today we have a proposal from the federal government to limit transfers to the three richest provinces to a 5 per cent growth rate, and the New Democratic Party, which claims to defend the poor, is opposed and brings in an amendment that would simply cancel this bill. That party, which should defend the poorest provinces, on the contrary clearly seeks to maintain the status quo of federal transfers favouring the richest provinces.

That same party very recently raised a hue and cry because of the regional development agreement whereby the federal government would give Quebec $160 million over five years, or a little more than $30 million a year. In equalization payments alone Quebec has lost $2.2 billion since 1987. For the current year, the cuts will amount to some $440 million. Did you see a single New Democratic member rise to denounce the situation? They all get up this morning to denounce a bill that would restrict the growth in spending in the richest provinces.

That is the real face of the NDP, and I hope Quebecers will take a good look, because this morning, they had a chance to restore a modicum of fairness to transfer payments. I agree this is a unilateral decision by the federal government, whose power to change unilaterally the rules of the game in fiscal arrangements has just been confirmed by the Supreme Court. It is also a

situation that is intolerable for any responsible provincial government. Fiscal arrangements should include a mutual commitment by the federal government and the provinces that any changes in these arrangements will be negotiated. We would have a good chance to get a more balanced system, now that fiscal arrangements between the provinces and the federal government must be renegotiated for 1992–1997, and in fact, negotiations are under way. However, there has never been any serious debate about the type of fiscal arrangements, the type of agreements we want to see between the federal government and the provinces. We are now seeing a transfer of the federal deficit to the provinces, and unlike what is being said today about the New Democratic Party, these cuts, these transfers have, in recent years, tended to concentrate on the poorer, not on the richer provinces.

The freeze on transfer payments for health care and education applied to all provinces. The capping of equalization payments has been in effect since 1987. Yet we had to wait until 1991 for a cap on spending by the richer provinces which are still getting more funding from the federal government, funding that should be used to establish some kind of balance, to restore a measure of fairness and maintain the fiscal ability of governments to provide services to the entire population. This situation is so obvious that the finance ministers will meet this week, when the Government of Quebec will again clearly express its views on cuts in equalization and EPF transfer payments but also on the money the federal government wants to raise. I did not hear anyone from the NDP mention this. The new taxes that the federal government will raise through its decision to no longer allow deduction of payroll and capital taxes for federal income tax purposes will cost Quebec $46 per capita a year and Ontario $15 a year. Alberta and British Columbia will gain $39 and $16 per person respectively.

Not only are transfer payments cut but the tax base is being reorganized in such a way as to collect $325 million more. In that context, the bill presented by the government this morning is a small measure of fairness towards the provinces with less fiscal capacity, while the system as a whole is still very beneficial to the richest provinces.

[*English*]

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I would like to comment on what the preceeding member said.

• (1340)

I listened very carefully to what he said and I cannot, frankly, understand why he would make the proposition that the PQ makes, that it wants to be a separate province.

I am puzzled because one of the most thoughtful statements, part of what the member said, was the concern about the less wealthy areas of this country. It was a very profound, emotional statement by that member pointing out what Canada is all about. There is no gap in terms of the sentiment about ordinary Canadians which that member spoke about so eloquently between his party and other members of this House.

Frankly, as I sat in this Chamber, I had a sense of pride hearing what that member had to say about fighting for other unfortunate people in Canada.

That is what we could have in common; not breaking this country up but keeping this country together on a sense of fairness and decency and openness to each other across the country.

He made the point eloquently.

I want to take the theme that my colleague from Quebec has raised in this House and expand it. We can argue about the differences in terms of capping the transfer payments and equalization payments. It was traditionally true in this country up until the advent of a very lax Liberal administration in the late 1970s and early 1980s and a disastrous Tory administration for the past six years in this government. We have now been reduced to fighting each other region by region because of the fiscal policies of this government.

I remind my friend there is no gap regardless of whether you speak English or French about the concern for the poor regions in this country.

While we are reduced to this in this debate, another story unfolds daily in this country which shows how bankrupt morally this government is. While we are reduced to moving a motion to kill the bill rather than have the kind of intelligent debate that we all want as my

colleague points out, it is true that we missed the point in reducing ourselves in this debate as my member from Quebec so eloquently spelled out.

What is the point of this debate? We are talking about cuts when the people who should be paying their fair share in this country are getting away with murder. The wealthy in Quebec, the wealthy in Ontario, the wealthy in British Columbia, those corporations that abuse the work force of this country to build incredible profits over the years, have actually had their taxes reduced by this government.

It has us squabbling and quibbling region to region in this country at each other's throat over language issues, provincial rights issues and is diverting us in the constitutional debates when the very foundation for this kind of rancour and hostility in this country is the fact that from coast to coast there has been unfairness in taxation in this country and the poor people have suffered.

I say in common cause with my colleague with whom I was very impressed the thing that should unite us in this country is the word fairness.

Just this past week we discovered that the banks have made a usurious profit of over $3 billion while the country is going down the tube, while the government is cutting off services to people in Quebec, in the maritimes, in British Columbia. While it is cutting back and capping, the banks took an extra $3 billion out of the pockets of working people in this country.

It is usurious. Furthermore, when there is some pleading in this House for a simple, remedial matter in terms of just the credit cards alone, what does this government do? It wrings its hands and says it cannot do anything. It is so embarrassed that even the members of its own party have announced that the banks are going to be grilled on the obscene profits. Its own party.

The members want to save their skins in their ridings and I say if they are that motivated and concerned They should raise holy blazes here in the House and say no to the capping and collect the taxes due from the banks and the corporations in this country.

They say they are at the banks. They had the timidity not even to give the banks a slap on the wrist about their charges on interest on credit cards. You are a paper tiger. You are a paper kitten. You are a paper pussy. This is a gutless government that has abandoned everything to the private sector and caused the divisions that my friend from Quebec so eloquently spoke about today.

It was a great Canadian speech and I was proud to hear it. Now I want to tell you this. It does not matter what language you speak in this country, English or French. The real roots of the problems are the inequity in the economy and taxation in this country and a sense of fairness from coast to coast. What it does is drive people to protect their separate regions rather than build a great Canadian nation we all dreamt we should have and at some point did have.

I want to tell you that even our great neighbour to the south of us which skinned us on the free trade agreement came out of this economic downturn better than we did. Ronald Reagan was their great soulmate. They believed that he was the greatest sports broadcaster who ever lived, let alone their president.

I want to tell you that even the United States of America has a 20 per cent minimum corporate income tax. Do you know how much money would be raised for the province of Quebec, for the maritimes and for every other province in need in this country if there was a minimum corporate tax in this country? Over $6 billion would be made available, my dear friend. None of us would be quibbling about $200 million here or $200 million there.

It is embarrassing to have to fight for the unemployed in Montreal who are the same as the unemployed in Toronto and who are the same as the unemployed in Vancouver. This is one great nation that can be held together by fairness, but not by regionalism and divisiveness as created by this bill.

Putting a cap on the rich provinces when times are tough means that they in turn will not want to share when times are good.

In the past Quebec, British Columbia and Ontario have willingly shared when times were good. By putting a cap on them now when times are bad you are saying to them: "Be greedy and hang on until times are good". That is no way to build a nation. That is not how the ordinary people of Quebec feel. That is not how the ordinary people of Ontario or any province feel.

My colleague made a profound statement today on a pan-Canadian basis. I did not think it would come from the Bloc Quebecois but it did and I think it should be respected. I say to him in return that the alternative is a fair taxation system that collects money on an equality of

basis to pay and the banks are the worst users of the tax system of anybody.

I say to you there is a united voice in this House on a bill like this that I have not heard before. It has nothing to do with regionalism or with separating and fighting for your own constituency, which is a paramount virtue for every politician who wants to get elected. It is, however, a statement about Canada and a fair tax system. The only party out of step in this House is the Conservative Party and it is not the Conservative Party of John Diefenbaker. This is a sell-out government that has capitulated to a free trade agreement and a low tax base in the United States to serve those corporate interests rather than the needs of the ordinary people of Canada.

An hon. member: What about the Liberals?

Mr. Barrett: The Liberals do not know which side they are on. They have to go back to Aylmer again and start all over.

But I will tell you that one of the most moving statements made in a pan-Canadian sense was made by a member from the Bloc Quebecois. That is very interesting. People are people right across this nation. They are all Canadians. We are all Canadians. If you want to keep this country together, then stop playing favourites when it comes to taxation. Make the rich pay their fair share. That is the way to start rebuilding this country again.

Mr. John Brewin (Victoria): Mr. Speaker, it is always a pleasure to follow the member for Esquimalt—Juan de Fuca. He puts the argument about the impact of this bill and the successive policies of this government on national unity exactly where they should be put.

This bill that puts a cap on Canada Assistance Plan contributions to three provinces in Canada is a divisive bill. It penalizes those who can afford it least. It further destroys the social service network in this country and represents in my submission a very serious blow to national unity exactly at the wrong time in this country's history.

Bill C-32 which we are now dealing with at report stage extends from 1992 to 1995 a specific limit on federal contributions under the Canada Assistance Plan to three provinces: Ontario, Alberta and British Columbia. Its predecessor Bill C-69 put a limit on caps to 1992. In the last budget the government announced its intention to proceed with this legislation to extend the cap to 1995.

The financial impact of this bill is very significant. The government has said it expects to save the federal treasury $2 billion a year and it seeks to justify this bill on the basis of financial constraints on the federal government.

This bill is flawed for three broad reasons. First, it is attacking the deficit by going after social programs which will inevitably have a negative impact on those who can least afford it at a time in our country's history when we are facing recession right across Canada.

We hear for example that in metro Toronto there will be over 200,000 children this Christmas who will have to get Christmas dinner at food banks. Child poverty is one of the disgraces of this wealthy nation. This bill will perpetrate and extend the scandal in the way in which our society has treated our children. This comes after the words of the Prime Minister at the UN not so very long ago who spoke at a summit on the rights of children.

We have rhetoric and no positive action. The only action we get is a bill of this kind which will have a direct impact on children and those who can least afford it.

The second problem with this bill is that it fails to attack the deficit where it should be attacked. The deficit that has built up in this country over the last 20 years by successive Liberal and Conservative governments has been almost entirely as a result of two policies by both Liberals and Conservatives. The first policy has been to give increasing numbers of tax breaks to the corporate sector and to wealthy individuals. A recent study demonstrated that 44 per cent of the current deficit is a result of those policies started by the present member for Vancouver Quadra when he was Minister of Finance. This continued under successive Liberal governments and has been given an accelerated drive by the Conservatives.

• (1350)

The second policy which both Liberals and Conservatives followed whenever the economy got into any kind of trouble was to increase interest rates. We saw it in the early 1980s when interest rates went up to over 20 per cent and we have seen it recently under the Conservative government. This of course had an impact on the deficit because as the federal government was beginning to run into deficits each year, the accumulated debt required

higher and higher interest payments. This was one of the most significant costs to the Canadian taxpayer.

Social services have only added 6 per cent to the total national debt over the last number of years.

An hon. member: What nonsense.

Mr. Brewin: My friend from the Liberals from Kingston keeps shouting: "What nonsense". You can always tell when you get to the Liberals because they start heckling at that point.

The Conservatives and those on this side of the House from the New Democratic Party are fully aware that there is virtually nothing to choose between the policies of the Conservatives and the policies of the predecessor Liberal governments.

We find it interesting that for a period in opposition the Liberal Party began to shift to the left. We see now in Aylmer it has have gone back in a shift to the right. It is now going to try to compete with the Conservatives for the business vote in this country. It is welcome to it.

An hon. member: Tell us about Bob Rae.

Mr. Brewin: The third problem is with the impact of this bill on national unity. Let me speak to that in particular. First of all, this bill breaks a specific agreement with the provinces. This was a unilateral breaking of an agreement with the provinces.

The courts have found that this Parliament is within its jurisdiction and the government is within its legal right to bring forward this bill. But we submit that it has no moral right to introduce a bill of this kind which breaks a solemn undertaking that had been given to the provinces across Canada.

Second, the bill discriminates against three of the ten provinces. It has picked the so-called have provinces. These are the ones which also have large bills for social assistance because of the recession which the government has imposed on this country. It develops an argument whereby it says: "This does not affect us. We cannot therefore have any problem with adding to the tax bill of the people of Ontario, Alberta or British Columbia". It is a bill which gives a reverse kind of special status to B.C., Alberta and Ontario. At this time in our country's history it is a bad bill.

Finally, it very specifically attacks our social security and social service system. This is part of a larger Conservative agenda and is at a time when that very social service system is one of the distinctive natures of our country and is a key foundation of building a sense of nationhood.

The Canada Assistance Plan is a plan which is effectively a federal-provincial partnership. It has been in existence for many years. The federal government undertook to pay 50 per cent of the cost of designated social services at the provincial level. This gave the federal government a large and significant role in the social security net in this country. This represents a significant step by the federal government to back away from a federal role in social services in Canada. It is part of a larger agenda of which this is a key part.

First, this government has changed the tax system in order to reduce the burden on the corporate sector and those of wealth.

Second, this government through the free trade agreement has reduced protections for Canadian industry and opened this country up to even greater attack from multinationals from outside the country.

Third, this government has made it easier for foreign companies to attack and invest in Canadian companies and to buy Canadian companies even with our own money.

Fourth, the government has set about a process of privatization which has undermined public institutions.

Fifth, it has been an attack on public servants in this country and Public Service employees in particular. We saw the recent attack on the Public Service employees in the PSAC strike. We have seen a set of policies, including contracting out and including the use of exclusions and designations to undermine collective bargaining at the Public Service level.

When even that failed, the government came in and passed legislation to impose its own agenda as an employer on Public Service employees in Canada.

Most critically, it has attacked social services in this country. It has attacked family allowances and pensions. It has gone after medicare and accessibility of university and higher education in this country. It has reduced the effectiveness of unemployment insurance which has again imposed a special strain on social assistance programs right across the country.

The Acting Speaker (Mr. DeBlois): Your time has expired.

Mr. Sid Parker (Kootenay East): Mr. Speaker, I am pleased to speak out against Bill C-32, the Canada Assistance Plan and the 5 per cent limit to the provinces of B.C., Alberta and Ontario.

I would like to start out by making a few comments with regard to the speech made by the Bloc Quebecois member. I think he made a very interesting speech about his concerns, but I want to say to the member from Quebec that if you are poor in Quebec and you are poor in the Atlantic provinces and you are poor in British Columbia, then that is what this plan is all about.

We should not be starting to bring in legislation that is going to start to bring about caps in some provinces because they happen to be rich. The poor in the provinces across this country are crying out for help. We have a national program that is supposed to be the Canada Assistance Plan.

I say to all of you what a time to be discussing the Canada Assistance Plan. It is three weeks before Christmas and this government is bringing in a policy that is going to cap social assistance programs in the province of British Columbia, Alberta and Ontario.

I say it is shameful. I say to the people in the food banks across this country as the people line up there that some of these government members better go down to those food banks and listen to what is going on across this country. I want to say to you that you would not be bringing in a cap at this time for these people across Canada.

At the same time, as my colleague for Juan de Fuca has said, the banks are making profits with their credit cards and various things. We have raised this in this House and the government turned a deaf ear to it. It does not want to hear that. It does not want to hear that the banks are making a profit. Why can we not bring in a taxation system that when a worker makes his wages, he is taxed immediately on his wages and on what he does. Why can we not tax the banks and the large corporations at the source of their profits at 20 per cent minimum tax as the hon. member for Juan de Fuca has said. "We should bring in a minimum tax across this country". The Liberals would not do it. The Conservatives sure are not going to do it. The New Democrats will soon show the people of Canada a fair taxation system. The NDP will bring about a fair taxation system that will recognize the needs of the people of Canada.

We will not do it by dividing the country. We will not do it by cutting back on social programs. The Prime Minister of Canada in the last election said that our social programs are sacred to the people of Canada and to this government.

Mr. Speaker, I see my time is running short so I will continue after Question Period.

Mr. Speaker: It being two o'clock p.m., the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

LOBSTER FISHERY

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, last Wednesday a letter from the minister of fisheries was printed in the Charlottetown Guardian. In this letter the minister said that because the lobster fishery is the biggest fishery in Prince Edward Island, Island ground fishermen did not deserve government assistance.

For the last 18 months fishermen have been calling for their fair share of government assistance.

In the recent $40 million aid package, Prince Edward Island did not get one cent. In the $584 million package in May 1990, P.E.I. received a miserly $150,000 from the government, some of which went to study the GST centre in Summerside.

I challenge the minister of fisheries to listen to the inshore ground fishermen who will not be able to make their boat payments. I challenge the minister to explain to fishermen why the ground fishery in P.E.I. does not get help.

S. O. 31

NATIONAL UNITY

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I rise today because I am concerned about the future of my country, also because I am concerned about the recent comments on this nation's future made by the leader of the Parti Quebecois.

As you are aware, Mr. Speaker, on many occasions the concept of our country has been described as a marriage. The people of my constituency believe that this country like a marriage is an association created out of mutual love, trust and respect. Any other concept is nothing more than a common law relationship.

The people I represent are not interested in a common law relationship for Canada.

* * *

IMMIGRATION

Mr. Tom Wappel (Scarborough West): Mr. Speaker, we continually hear the Prime Minister saying how proud we are to be Canadian citizens. However, this undoubted privilege is being denied to some 50,000 legal immigrants who are now trapped in an Order in Council backlog.

For these tens of thousands of immigrants, who by and large have completed their security and health checks and are in Canada, this backlog is the only thing that stands in their way to becoming landed. They must receive their landing papers before they can apply for citizenship.

There is no reasonable explanation for this delay. The reality is that the government is holding them back so that the immigration levels announced by the immigration department can appear as though they are being met.

I ask the government to stop playing with figures. These people are here in Canada and have been processed in accordance with our laws. There is no reason to delay their landings any further. It should stop playing with the numbers because by doing so it is playing with people's lives.

ABORIGINAL SELF-GOVERNMENT

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I rise today to congratulate the Yukon Territorial Government, the Council for Yukon Indians and the federal government on reaching an historical aboriginal self-government agreement.

The agreement ratified by four Yukon First Nations this past week signals the end of one era and the beginning of a new relationship, a relationship based not on dependency but on equality. The agreement puts into practice the principle that Yukon's First Nations people have the inherent right to govern their land and their people.

It shows all of us that when the political will is there, when governments of all levels can come together and there is a genuine commitment to creating a more equitable society, self-government can be achieved.

I strongly encourage the government now to ratify this historic self-government agreement and put principle into action.

* * *

CANADIAN UNITY

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, on Wednesday, December 18, there will be a forum in the town of Springhill, Nova Scotia to address a proposal by Dr. Bruce Filiter for English speaking Canadians to indicate their desire to keep Quebec within the country.

Dr. Filiter believes the politicians have not been successful in delivering messages back and forth between Quebec and the rest of Canada, and I agree with him. He also believes that unless ordinary Canadians begin to show each other that they care about the future of the country we have a distinct possibility of losing it, and I agree with him.

Dr. Filiter's idea is that English Canada could send a very clear message by flying the Quebec flag at every opportunity, and this will be his proposal put forth at the seminar on December 18.

In a letter to the premier of Nova Scotia he has said that flying a Quebec flag may be a small gesture but it is gestures like this that can smother the flames of separa-

tion fanned by the misunderstandings and petty jealousies and the media's preoccupation with divisive forces.

I agree with Dr. Filiter that it must be up to Canadians from all walks of life to stand up and be counted in this debate. The politicians and the media have done a very poor job in sending messages back and forth and have certainly exaggerated any differences there may be.

I applaud Dr. Filiter for his efforts and determination and wish him every success in his approach to this all important question.

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BATTLE OF HONG KONG

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, yesterday, December 8, was the fiftieth anniversary of the beginning of the Japanese attack on Hong Kong which ended on Christmas Day of that year, 1941. Of 1,975 Canadians, 557 were killed or died in prison camps. Those who returned after years of brutal treatment would never be the same.

Their will to live and their will to be good Canadians, in spite of doubts about the wisdom of the policy and the government that sent them there, should be an example to all Canadians who are tempted to cynicism about Canada by much less personally devastating events.

The Canadians at Hong Kong were Winnipeg Grenadiers from Manitoba and Royal Rifles from Quebec. Let what they did together in defending the indefensible and in suffering the insufferable put our current tribulations into perspective and remind us of what Canadians can do as Canadians when the best in them is called to the fore.

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[*Translation*]

VAL-D'OR AIRPORT ECONOMIC DEVELOPMENT BOARD

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the federal Minister of Transport, officially announced the creation of the Val-d'Or airport economic development board.

The new agency, made up of community representatives, is meant to promote and develop the interests of this northern Quebec regional airport. Transport Canada's regional airport in Val-d'Or boasts a runway that is 10,000 feet long and 200 feet wide. It has already accommodated a Concorde, Boeing 747s and the USAF Galaxy C-5, the world's largest plane.

Today, the airport can handle 400 to 500 flights a day and up to 30 flights an hour. Last summer, international airlines started making technical stops in Val-d'Or. A feasibility study showed that a market for technical stops exists on east-west routes to Toronto and Chicago.

* * *

[*English*]

POVERTY

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, this evening in St. John's two events are taking place at the Radisson Hotel. In one the Minister of Fisheries and Oceans from Newfoundland and the Prime Minister are engaged in a function inside the hotel at $500 a head. At the same time another function goes on, a soup kitchen. That one is at the hotel, though outside. It is a soup kitchen to serve some of the poor who have been hurt by the policies of this particular government.

The two events are together a graphic summation of what is happening to this country: while some people hobnob at high prices and dine luxuriously, the other half who have been decimated, whose jobs have been lost by the policies of that same elite, sit outside in the cold and eat soup at 50 cents a bowl.

My one disappointment is not that the minister of fisheries is celebrating 25 years. I congratulate him. He has done some good service to the province and to the country during those 25 years. What disappoints me, though, is that tonight he will find himself inside the room with the elite instead of outside with the people who sent him here in the first place, a place where he is often much more comfortable. I appeal to him at this late hour to stay outside instead of going in with his buddies, the elite.

* * *

UKRAINE

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, in a free and fair referendum on December 1, the citizens of Ukraine voted for freedom, democracy and independence.

Yesterday in Winnipeg hundreds of people gathered at city hall to celebrate by raising the Ukrainian flag. One of the speakers of the ceremony was Mr. Ihor Derkatch, member of Parliament from Ukraine. Other guests included representatives of the Ukrainian Orthodox and Ukrainian Catholic churches and speakers from all levels of governments representing all political parties.

Canada was the first western country to recognize the independence of Ukraine. It is quite clear from declarations made by the Ukraine Parliament and from statements made by the new president, Mr. Leonid Kravchuk, that Ukraine will be a strong advocate of international arms control and human rights.

It is therefore imperative that Canada further recognize a free Ukraine by establishing diplomatic relations immediately.

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THE ENVIRONMENT

Hon. Alan Redway (Don Valley East): Mr. Speaker, last Friday the government announced in Toronto, Vancouver and Montreal a major green plan initiative to combat smog. This initiative should result in significant reductions in emissions of nitrogen oxides and volatile organic compounds, the main smog creating pollutants, and will lead to a major improvement in air quality over the next 10 years.

• (1410)

Specifically new regulations, protocols and codes of practice will be developed for rail transportation, vehicle diesel engines, power and chemical plants, and dry cleaning facilities. A research program will be implemented as well as a public education campaign, and bilateral agreements will be negotiated with the provinces.

This green plan initiative is a major step forward in our fight against smog in this country.

* * *

HUMAN RIGHTS

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, there are disturbing reports in today's papers that the government is backing off its commitment to amend the Canadian Human Rights Act to include sexual orientation as a prohibited ground of discrimination.

In 1986 the government accepted the subcommittee on equality's recommendation that the Canadian Human Rights Act be amended to include just such a prohibition.

The Canadian Human Rights Commission has also repeatedly recommended that the government amend the act. Human rights codes in Quebec, Ontario, Manitoba, Nova Scotia and Yukon all include such protection.

The government has the responsibility to protect Canadians who face discrimination. Further, the government has a responsibility to live up to its promises. There are many Canadians who suffer from discrimination on account of their sexual orientation and require protection. It is unacceptable for this situation to continue any longer.

I urge the government to act without further delay and introduce the long delayed legislation.

* * *

WOODSTOCK SANCTUARY HOUSE

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, last Friday I took part in a ceremony commemorating the first anniversary and completion of renovations to Woodstock Sanctuary House. This project was made possible on funding obtained from the federal government through CMHC's *Project Haven* initiative.

Woodstock Sanctuary House provides temporary accommodation to victims of family violence. The transition home operates on a 24–hour per day basis to provide shelter, food, emotional support and access to other services. It also provides a safe and secure refuge to abused women and their children.

Woodstock Sanctuary House recognizes the specific and distinct needs of children from abusive environments. Congratulations and a thank you are in order to the citizens of Woodstock, New Brunswick and surrounding communities for working to make Woodstock Sanctuary House a reality.

THE ECONOMY

Mr. Joe Fontana (London East): Mr. Speaker, almost eight years later this government still has not managed to lay the foundation for a prospering economy. The current recession shows no sign of turning around for the better. So far this recession has a casualty toll of 71,000 lay-offs in Ontario, and last year alone 350,000 jobs disappeared permanently in Canada.

With businesses continuing to fail, thousands of Canadian workers are becoming the permanently unemployed. Welfare rolls are skyrocketing and families are relying on food banks to make ends meet.

Ask any retailer: the Christmas boom has turned into a Christmas bust. Canadians are displaying their lack of confidence in the Canadian economy and their lack of confidence in the current government.

When will this government stop pretending there is a recovery and start doing something about this dragged out recession? The Prime Minister even makes Scrooge look good, if that is possible.

* * *

BILL 178

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, Canadians are suffering from chronic constitutional fatigue. They are tired of debate, sick of threats, weary of consultation, and fed up with rhetoric. Constitutional dialogue cannot be a one-way street. It is time traffic moved in both directions.

The Meech Lake process did not fail in June 1990. The spirit of Meech was destroyed in much of English Canada in December 1988 with the passage of Bill 178 in Quebec.

I want to congratulate Premier Bourassa and the Quebec Liberal Party for their resolution yesterday calling for alternatives to Bill 178.

Quebec and its people are an important and valued part of Canada. It is time for its leadership to come to the table and get involved. Yesterday's motion concerning Bill 178 is a most welcome step in this direction and indeed should be applauded by all Canadians.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Acting Prime Minister.

The Minister of State for Finance bragged on Friday that his government was expecting a good recovery and that it was already under way. However the figures show quite a different picture. Last month alone the Canadian economy lost 49,000 jobs. Statistics Canada noted that 305,000 manufacturing jobs have disappeared forever since June 1989.

The only benefit of this economy seems to be the U.S. retailers who pocketed more than $3 billion from Canadian shoppers. People have given up hope. They are disappearing into the black hole of jobless despair.

Does the government intend to base its so-called recovery on simply sweeping Canadians under the carpet?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the hon. member knows full well that in the second and third quarters real growth averaged 3.3 per cent, an increase of 3.3 per cent. It is a modest increase in growth but it is growth and we do feel that we are coming out of the recession.

For the hon. member to describe whether I was bragging or not, I certainly did not mean it in a bragging sense at all. We are still in tough economic times, but we are coming out of them.

The hon. member should do a little promoting about Canada rather than talking about people travelling to the United States to shop. It would do us a lot more good.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, what we on this side of the House would like to do is promote food for hungry children.

The number of people depending on food banks in this year of so-called recovery has increased by 20 per cent. Some 284,000 kids will depend on food banks this Christmas. To put it in perspective, we could fill the SkyDome, B.C. Place, and the Olympic Stadium with

hungry children and we would still have 100,000 kids waiting outside trying to get a meal.

These kids are not sitting on Santa's knee asking for presents. They want food and they want a government that will care about them.

How can they call it a recovery when the line-up at food banks has increased by 20 per cent this year?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, nobody takes comfort in seeing families in need at any time of the year, but especially at this time of the year.

To be fair, the hon. member knows full well that a number of people, low income families, have come off the poverty roll over the last period of time. We know that we have increased the child tax credit. There are a number of projects that this government has undertaken to help those who need the help at this period of time. Of course the low income rebates from the goods and services tax which pays cheques quarterly to low income families is also a source of aid at this time.

I wish we could do more. I think everyone in the House wishes we could do more, but in this period the best thing for these people and for all people in Canada is to ensure that our economy gets back on track, that jobs are created, and that people are able to get off unemployment insurance and welfare and back into the work force with a meaningful job. That is our goal and we are going to accomplish it.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in Montreal alone there are 50,000 needy children, almost enough to fill the Olympic Stadium. We also know that Robert Normand said on Saturday that he expected unemployment to rise to 11 per cent. How can the government claim that the recession is over when it knows that the number of needy children has risen 20 per cent this year alone?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, that was the same question in French as it was in her English supplementary.

I can tell the hon. member that the economy is picking up. It is starting to improve. It is a vested interest for opposition members to see poor conditions because they think that will vault them into power the next time around.

Let me say to the hon. member that the economy is getting better. If we talked a little more positively about the good things in this country the economy would pick up faster, instead of the whining we hear time after time from the opposition in this House.

* * *

• (1420)

THE ENVIRONMENT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Secretary of State for External Affairs.

A confidential report of the Department of External Affairs says that for competitive reasons Canada must never lead the world in the development of environmental standards.

This is totally contrary to the Porter report, to the competitiveness strategies of Japan and Germany, countries which have already stated that being ahead environmentally is an integral part of their plans for economic dominance.

My question is: How could this government introduce an economic prosperity agenda a month ago and obscenely spend some $21 million, spreading it cross the country, when its true agenda is to deny Canadians the opportunity of becoming competitive in the fastest growing market of the next decade, that of the development of environmental technologies?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I would suggest that the hon. member wait until he can read the entire report.

I would like to mention first of all that my colleagues, the Minister of the Environment and the Minister of State for Environment and I just met with some Canadian leaders from the Stockholm conference who are helping guide us toward UNCED. One of the things we have been discussing is the important connection between trade and the environment and how we indeed can use environmental issues.

We are into a different world now than we were before. The two go together. We are proud of our environmental record in Canada and we intend to

continue to stay in the lead on environmental issues in the future.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, unless the minister is now in the process of busily rewriting the report, I have the complete copy, and it is very clear that it says that Canada must improve its step, must not lead our partners in the development of environmental standards.

The statement on the government's strategy is not only bad environmental policy; it is incredibly dumb and archaic economics.

However, be that as it may, my supplementary question is: How does the minister reconcile the statement in this strategy paper that in terms of environmental protection Canada must not move ahead of its trading partners, with the contrary position that has been taken by the same government that in the North American Free Trade Agreement it is perfectly acceptable that Canada enforce environmental standards that are much higher than that of Mexico?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I think the pertinent part of the document the member is referring to when it will be made public is the objective sections of the document. That is the one the hon. member and all members of this House should look to. I pray that he will wait until that document is out and then he will have the benefit of looking at the objectives part to make any judgment or statement about this document.

Furthermore, the hon. member made an allusion to the fact that environmental technologies are important. This government, through the green plan, announced a $100 million initiative.

Mr. Martin: That is nothing.

Mr. Charest: Only a Liberal would say that $100 million is nothing. Over six years $100 million for environmental technologies is what is dedicated through the green plan to develop technologies and bring them to the marketplace. That is the commitment this government has made.

In the context of the Canada—United States—Mexico trade agreement, the hon. member also knows that we are conducting parallel negotiations with the three parties on environment issues. That is something that in itself is unparalleled and has never been done before. We are making great progress in this area.

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[*Translation*]

THE ECONOMY

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Acting Prime Minister. Today we heard that housing starts are dropping, that cars are not selling—20 per cent fewer cars were sold this month than last month—and that stores are expecting business to be slack over the holiday season. The economy is crumbling and during this time the Prime Minister is travelling across the country to raise funds for his party and his ministers responsible for the economy are busy with the Constitution. When will this government set its priorities straight and help Canadians find work?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, housing starts are at an annualized rate of some 174,000 which is about the average over the last number of years for Canada. They are up some 20 per cent over last year's starts. Those are hopeful signs.

As far as car sales are concerned, the hon. member said that sales are down 20 per cent. One of the interesting things is that foreign sales are down rather dramatically and North American made cars are up about 1.5 per cent. That is not a great increase but at least an increase. Those are workers for Canada not for the foreign makers.

Those are good signs we are seeing in the economy. We hope they will continue.

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

We would all like to see good signs, but a 13 per cent decrease in housing starts and the sale of vehicles being down 20 per cent are not good signs either to the people who sell, to the people who manufacture or to the construction workers.

I want to say also that 35,000 manufacturing jobs were lost last month alone. The Canadian Manufacturers' Association said: "If job losses continue at this rate we have only got 30 months left before no one is left".

I want to ask the minister: When can we expect an announcement of a first ministers' conference on the economy and a clear indication that the government will take such a conference seriously and be open to changes in its economic policies?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the Prime Minister has been meeting with provincial premiers across Canada and the Minister of Finance will be meeting with the finance ministers this Thursday to discuss many of the issues that the hon. member raises and that the premiers have raised with the Prime Minister.

Once those meetings take place on Thursday and Friday, the Minister of Finance will be in a position to advise the Prime Minister on the advisability of having a first ministers' conference on the economy.

I would point out the comment of Quebec Premier Robert Bourassa when he said that he would consider going to a national summit on the economy if other premiers do not turn it into a concert of whiners. We want to make sure that that is the case.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have another supplementary question.

While Canadians would like to see some action by this government on jobs, we still have a million and a half unemployed, the same number on social assistance or unemployment insurance, and hundreds of thousands of children who can expect to find their Christmas dinner, if they can find it at all, in a food bank. At the same time the banks in this country are still posting almost $4 billion in profit this year.

The minister knows there are loopholes that will allow banks to avoid paying taxes on much of this profit. The government says it needs money. The people of Canada know that money is needed. Is the government prepared to take action so that the banks will pay their full and fair share of taxes this year?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I am glad the hon. member raised that question, because indeed before this government came into power banks hardly paid any tax, if any at all. Last year they paid three-quarters of a billion dollars in tax and this year they will be paying more than double that amount. There are taxes coming from the profits that the banks are making today.

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of State for Finance.

He pointed out that on the weekend the premier of Quebec, Mr. Bourassa, became the sixth premier to express a willingness to attend a first ministers' conference on the economy.

I ask the minister or the Deputy Prime Minister: Now that a majority of premiers are interested in having such a conference, why will the government not announce today an early first ministers' conference on the economy so that the federal government can work with the provinces to create new economic growth and more jobs for all Canadians? What is it waiting for?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I am sorry the hon. member did not hear my answer to the Leader of the New Democratic Party. I will repeat it for him and I will go slowly so he can understand it.

The provincial premiers across the country have met with the Prime Minister and they have given a number of agenda items that they would like to talk about.

The ministers of finance are meeting on Thursday and Friday with the Minister of Finance of Canada to discuss agenda items on a number of the subjects that the provincial premiers wish to discuss.

Once those meetings are over the Minister of Finance will give the appropriate advice to the Prime Minister in co-operation with the provincial premiers. There is no sense announcing a meeting today until the ministers of finance have had an opportunity to discuss these issues, as well they should.

Hon. Herb Gray (Windsor West): Mr. Speaker, while this minister is responding with callous arrogance to the concerns we express on behalf of the million and a half Canadians out of work, more and more of them are being added to the welfare rolls.

In its recent proposals on the Constitution, his government said it wanted to work with the provinces to strengthen the economy.

• (1430)

I ask the minister how his government and its proposals can have any credibility with Canadians when just two months later the federal government has not expressed a willingness and in fact so far is refusing to meet with the

very provinces it said it wanted to work with to keep the economy moving? Why does this government not have any real commitment to economic growth and jobs for Canadians?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I would just ask the rhetorical question: What do you think the finance ministers are meeting about this week? What a silly question.

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REPRODUCTIVE TECHNOLOGY

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Acting Prime Minister.

In April 1989 this government announced the creation of a Royal Commission on New Reproductive Technologies. Last March the commission mandate was extended by a year. Last week for perhaps the first time ever, appointed members of a royal commission announced that they were suing the same royal commission in the Federal Court.

How could this government let things get so out of control? Why the gross mismanagement of such a serious matter?

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the Royal Commission on New Reproductive Technologies is dealing with very complex issues regarding research into the reproductive system. You get into surrogate motherhood, sperm banks and organ transplants. They are very difficult. We look forward to the recommendations that the royal commission will bring forth at the end of 1992 and know that they are overcoming some very difficult issues.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the chairperson of the standing committee on health and welfare.

Twenty five million dollars has been spent by this commission and now this commission refuses the medical community for summaries of the commission's funded proposals. Will the chairperson of the standing committee on health and welfare convene a meeting of the standing committee so that members of Parliament of all political parties may question and probe the commissioners of this incredible fiasco.

Mr. Speaker: I just want to make it quite clear that provided that question is strictly directed to what the committee is about to do, the hon. member can answer it. The question was directed to the chairperson of the committee.

Ms. Barbara Greene (Don Valley North): Mr. Speaker, we are having a business meeting of the committee tomorrow. I would certainly be interested in discussing the issue there. I am not certain that the subcommittee on the status of women is the most appropriate venue for such a hearing, but I certainly do think that there should be a hearing on this issue.

* * *

TAXATION

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, may Canadians believe that the elimination of the GST would be a great boon to the Canadian economy and bring us out of the economic doldrums that we are in.

The Minister of Finance said just last night on TV that the money raised by the GST would be difficult to replace.

I ask the Minister of State for Finance: If the government is truly interested in alternatives to the GST why the government refuses to consider eliminating the business entertainment tax deduction, the special tax treatment of capital gains, the special tax breaks for real estate developers, tax breaks for mergers, interest deductibility for foreign owned multinationals, the manufacturing and processing tax credit, the dividend tax credit, just to name several many billions of dollars that the government could look at if it was serious about the deficit, instead of its ideological agenda?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I find it passing strange that New Democratic Party members who stand up here, as their leader did today, and complain about jobs disappearing in the manufacturing industry would absolutely cripple that industry with additional taxes.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, what is crippling the manufacturing sector in this country is the Canada–U.S. Free Trade Agreement brought in by

this bunch over there and the fact that they refuse to admit it.

If the government is serious about deficit reduction, as it always says it is, why does it refuse to consider eliminating all these tax loopholes that are benefiting wealthy Canadians while poor people have to line up at food banks on the same day that the government is putting a cap on social assistance in this country?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, to make a blanket statement like that, one that it is just helping wealthy Canadians, is nonsense.

The various tax incentives that are there are designed to make our Canadian industries competitive with their competitors with the United States and other countries with which we compete.

Certainly we have got to compete with them. We export 35 per cent of what we produce. We have to be competitive. If we followed the NDP policy on taxation, we would be taxing our industries completely out of the competitive field and we would be wiped out by the people whom we have to compete with in other countries.

The tax measures that the hon. member refers to are not tax loopholes. They are tax incentives, and he knows that.

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PORT OF CHURCHILL

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I would like to ask a question of the Acting Minister of Transport.

At the end of last week, the Minister of Transport indicated in Winnipeg that the government is now seriously examining closing the port of Churchill in the new year, a decision that would have a disastrous impact on the prairie economy and certainly upon the town of Churchill itself.

I want to ask the minister why, when there have been a number of recent grain shipments to the various republics in eastern Europe and the former Soviet Union, a portion of that grain cannot be shipped through the port of Churchill. Why is this government engaging in a conspiracy with CN Rail to shut down the port of Churchill?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, there is no conspiracy with CN Rail to shut down the port of Churchill.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I can only conclude that the government is doing it all by itself, which is no excuse.

I want to ask a supplementary. A private firm called Canada Space Technologies has announced that it has chosen Churchill as a site for a major development because of its rail and port infrastructure, a development that would bring hundreds of millions of dollars of development to the north plus many, many jobs.

Will the government now commit itself to keeping the port of Churchill open to allow this development to go ahead and for some new opportunity to be offered to the people of northern Manitoba?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, the hon. member knows that there is a commercial company doing market studies to see whether in fact it makes sense to reopen the Churchill Rocket Range. When those studies are complete, we will have the Canadian Space Agency review this whole matter.

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[*Translation*]

CANADA—U.S. FREE TRADE AGREEMENT

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is for the Deputy Prime Minister.

Considering the reaction of the United States to the way the Government of Quebec manages its hydroelectric resources, in particular Norsk Hydro, a decision having to do with Quebec government subsidies for these companies, and now that Quebec is beginning to realize that the free trade agreement is likely to ruin its economic and industrial infrastructure, what measures will the minister take to ensure that Quebec will not suffer even more from the free trade agreement that you signed with the United States?

[*English*]

Hon. William C. Winegard (Minister for Science): Mr. Speaker, I think the hon. member knows that the minister is working very closely with the province of

Quebec and we have objected very strenuously to the United States about this matter.

We believe that the action taken by the United States in this case is absolutely inconsistent with the GATT and we have made our position very clear.

[*Translation*]

M. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I would ask the minister if in the coming days he intends at least to consult the Quebec government on that, because it does not agree at all with the approach he has taken in the free trade agreement to protect energy resources, in particular from Quebec.

[*English*]

Hon. William C. Winegard (Minister for Science): Mr. Speaker, it is very clear that we are consulting with the province of Quebec on this important matter. There is no doubt in our mind that what the United States has done is inconsistent with the GATT and we are taking steps to ensure that we fight this case with everything we can.

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• (1440)

INTEREST RATES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs.

The bank rate is down to 7.54 per cent, yet the interest rates on credit cards are two and a half times to almost four times higher on charge cards. Yet this government is looking to consumer spending to get the economy out of the doldrums.

Will the Minister of Consumer and Corporate Affairs instruct financial institutions to lower the card rates to the floating limit recommended by the consumer and corporate affairs committee two years ago?

[*Translation*]

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, as my hon. colleague mentioned, interest rates have not yet been this low in years. This is a direct result of this government's economic policies and I think that we should be very pleased. Interests rates are so low that someone can negotiate a mortgage for a mere 8.25 or 8.5 per cent and personal loans at a slightly higher rate. We had not seen that in a long time.

That being said, by raising this important issue my colleague gives me an opportunity to reiterate in this House that if consumers are better informed, as I have done last week and as my colleague has done on occasions, they can be encouraged to make wiser choices between the various types of loans available and to take a personal loan instead of paying interest on their credit cards.

[*English*]

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, we know the answer.

Jesse James developed a notorious record for holding up banks. Today we have the spectacle of banks developing a notorious record for picking the pockets of consumers in Canada.

My question for the minister is this, and it is asked in a very positive way. Is the minister prepared to call in the heads of all the financial institutions for a summit meeting and to ask them to drop the rates immediately as part of a national program to build consumer confidence and to allow consumers to share in the windfall profits which the banks have enjoyed?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I know that Jesse James and Ninja turtles are the heroes of my friend. I saw a picture this morning with my friend looking at Ninja turtles.

To be more serious, I met last week and the week before with the head of the Canadian Bankers Association, all the other associations of trust companies and departmental stores. I told them what I said to the hon. member here in this House, that I am concerned about those rates. As members know, those rates went down over the last couple of weeks.

Maybe we are not yet at the bottom of it, but I think we should continue to put pressure on them and make sure that the consumers make the right decisions when they go to their banks.

[*Translation*]

PATENTED DRUGS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs.

Bill C-22 on patented drugs, which was passed in 1987, ordered a government review of the situation after four years, which means this year. Could the Minister of Consumer and Corporate Affairs tell this House if pharmaceutical companies have indeed increased their funding for research and development and whether as a result there has been an increase in the price of brand name drugs?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, this is an extremely important question that my hon. colleague is raising. Indeed, Bill C-22, passed in 1986, provided for a review of the effects of this legislation. In fact we have noticed that the price of patented drugs has increased by only 3.1 per cent compared to a 4.7 per cent increase in the consumer price index for the same period, which is excellent since we had set up a committee to monitor these increases.

Also, R and D in the pharmaceutical sector reached a level of almost $300 million in 1990. This year it should invest 10 per cent of sales, the goal set for 1996. Everything tends to demonstrate that this was a good decision and we will continue in the same vein.

* * *

[*English*]

IMMIGRATION

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, my question is for the Acting Minister of Employment and Immigration.

The Matta family in Edmonton are Christian Israelis. Fhimi Matta was a bus driver in Israel who was asked by some terrorists to place a bomb in an Israeli bus depot. He refused. A decision handed down recently by a credibility panel in Edmonton directed that the family must leave Canada.

Will the Acting Minister tell us today that she and her colleagues will exercise their undoubted discretion in allowing this family to stay in Canada?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I must admit that I am not aware of that specific case. The hon. member knows full well that the Access to Information Act prevents us from providing details. However, I can check with the department and with my colleague responsible, for that matter, and within the parameters of the Immigration Act I can try to follow up his question.

[*English*]

Mr. David Kilgour (Edmonton Southeast): I understand the minister's colleague is reluctant to do this because Mr. Matta went back to Israel to get his family.

Does the minister know that Mr. Matta was trying to raise money to buy plane tickets to bring his family to Canada? Does she know that he also had to wait for seats to come back to Canada? Does she know that in Israel he was in hiding?

Mr. Speaker: Given the response of the minister, the question seems to be going on a bit.

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I repeat, as I said earlier, that I cannot comment on the specific case brought up here in the House.

* * *

[*English*]

THE MINT

Mr. Ronald J. Duhamel (St. Boniface): My question is to the Minister of Labour. The Winnipeg and Ottawa Royal Mints, which are both on general strike, were informed that management is refusing to meet the employees, the workers.

The strike has already cost Canadians over $500,000. Will the minister intervene and appoint a mediator to bring an end to this dispute? It is not only costing Canadian taxpayers thousands of dollars, it threatens the very reputation, viability and future of the Mint. It

prevents its men and women and their families from spending a peaceful and worry-free Christmas.

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, as the hon. member is aware, the services of the mediation and conciliation office of Labour Canada are always available in situations such as the one the hon. member raises. However, I am surprised at his question because he is the one who says we should appoint a mediator. I have not had a request from either management or the union to appoint a mediator.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the same minister. The minister knows that he has the legal right under section 105 of the Canada Labour Code to appoint a mediator and the obligation under the same law to promote good labour relations in this country.

The minister did it for the post office and the grain handlers, and he can do it for the Mint. Can I please tell my constituent, who has worked faithfully for the Mint for over 30 years and does not want to be on strike at Christmas time, and other striking workers, that the minister will appoint a mediator as he is able to do by law?

Hon. Marcel Danis (Minister of Labour): The hon. member is correct when she mentions section 105 of the act. However, the hon. member will know that when a mediator is appointed, the person is appointed in the hope that a settlement is possible. In the previous cases the hon. member mentioned, the requests have come from the parties themselves. In this case, I can assure my hon. friend that if there is a request and we feel there is a little chance of success, I will appoint. But so far there has been no request from either side.

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• (1450)

AGRICULTURE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, my question is for the Minister of Agriculture.

When samples were taken of the barley waiting to be shipped from Seattle, inspectors found flour mill beetles, Mediterranean flour moths, flatgrain beetles, mustard grain beetles, lesser grain borers, granary weevils, rice weevils and confused flour beetles. These were all picked up from a filthy Cargill elevator and is now going to cost farmers thousands of dollars.

Will the minister do something positive to maintain the integrity of the Canadian grain system, and say there will be no more of these so-called experiments by the Canadian Wheat Board?

Hon. Bill McKnight (Minister of Agriculture): The hon. member has a substantive list of beetles and bugs and some things that concern him, and something about confused beetles.

I can say to the hon. member that the Canadian Wheat Board is fully aware of the problem. It is taking steps. It has time to take the steps to fumigate the grain. That will not be done at a cost to the Canadian Wheat Board, as I understand it, or to the producers; it will be done at a cost to the operator whose facilities the Canadian Wheat Board is using to facilitate this experiment.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, it seems clear and many would be suggesting that it is Cargill and the Canadian government that are plotting to undermine the entire grain industry in this country. Cargill ignored proper procedure by loading bins contrary to regulations before the inspections were made, tying up grain cars and shipping which is going to bear demurrage costs while they try to clear up this infestation.

I would like to ask the minister why he refuses to admit that this experiment has been a disaster for farmers, for the grain system and for the reputation of our high quality product?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, the hon. member is aware, I am sure, that the decision to follow through on this experiment was a decision that was made by the Canadian Wheat Board. The Canadian Wheat Board is charged with doing the best within its power to provide an ultimate return to the Canadian grain farmer.

I am sure the hon. member and his party are continuing to support the Canadian Wheat Board. Why does he now wish to change the direction of the Canadian Wheat Board?

TOURISM

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the minister of tourism.

The province of Nova Scotia and the federal government recently signed a $19.3 million tourism agreement but there were no details of how to access the agreement and to obtain funding.

Can the minister tell the House how much of this fund is pre-committed and how groups or individuals can access the money?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): I would like to thank my hon. friend, Mr. Speaker, for his very timely question. Last week it was announced by the minister for ACOA and the relevant provincial ministers that there is a new program of promotion of tourism, one of the most important industries in Nova Scotia.

Over $10.9 million will be contributed by the federal government and $8.3 million by the province. It will be used for developing products, it will be used for advertising what we have, it will be used for training, and this will go a very great distance to making Nova Scotia better known, not only within Canada but internationally as a tourism destination.

He can apply through ACOA and through our officials and he should know that none of the funds have been pre-committed.

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[*Translation*]

CANADIAN CITIZENSHIP

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, my question is for the minister responsible for citizenship.

In light of the recent statements made by the prime minister in Montreal regarding Canadian citizenship in the context of a sovereign Quebec, I would like to know if the government is planning to introduce in the near future an amendment to the Canadian Citizenship Act to withdraw the right every Canadian citizen has enjoyed since 1977 to acquire a new nationality while retaining his Canadian citizenship.

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, we will soon be tabling a new Citizenship Act. At this time we are just starting to consider the subjects to be addressed, but I cannot see the issue raised by the hon. member as having any chance of being included.

* * *

[*English*]

CANADIAN PASSENGER VESSEL ASSOCIATION

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, my question is for the Minister of Transport.

When the minister was in my riding in Brockville a couple of weeks ago, he assured the president of the Canadian Passenger Vessel Association that he would meet with them to discuss problems faced by that industry. That is very encouraging.

I want to ask the minister if a time, a place and a date for that meeting has yet been established.

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, on behalf of the Minister of Transport, I will certainly contact him and find out if a date has been set and if one has not been set when he is available I will be pleased to try and set one within my time schedule to meet with them.

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I thank the minister of state for that answer.

I wonder if the minister could give me some assurance that on the agenda of that meeting they will discuss the government regulations that are restricting the passenger tour boat industry to the extent that they can no longer compete with the Americans in this business keeping safety in mind, of course.

I wonder if I could establish with the minister that she will ask the Minister of Transport to make sure that item is on the agenda of that meeting. Could I get that assurance today?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, of course safety is always the first principle with which we look at regulations and I will be glad to take that to the minister and ensure that it is discussed with the owners.

* * *

AIRPORT SECURITY

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, this is for the Minister of Transport.

In September 1987 the Ministry of Transport announced a new security plan for Canadian airports, called the Airport Restricted Area Access Clearance Program, or at least part of it was. Under the program airline flight attendants and their spouses had to submit to fingerprinting as well as credit checks and personal investigations conducted by CSIS.

How does someone who has an Interpol warrant against her find herself on her first flight on a struck airline to be picked up by Interpol in Brussels? What happened to the security program this government put into place?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, the person in question did not have a personal access pass, only a pass by which they must be accompanied. That plan is in fact in place in airports and is being followed by Transport Canada.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, when all of the airline flight attendants in Canada were required according to this program to go through this kind of scrutiny, if an airline has a labour dispute and is using replacement personnel, are the restrictions then waived to facilitate the quick hiring of scabs?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, nothing is waived in any type of hiring. The passes that are issued are on a temporary basis until a full security check is made and during that temporary period they are not allowed full access. They can only go through the airports when accompanied by other personnel.

* * *

[*Translation*]

AGRICULTURE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of State for Agriculture. This could be the eleventh hour for article XI of the GATT. Since the end of negotiations is just days away, what concrete guarantee can the minister give us today so that we can assure Canadian farmers that their quotas will be maintained?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I think that the Canadian government has done all it could in the last two years to defend the Canadian position, which is exactly what farmers in Quebec and Canada want. I can tell you that our colleague, the minister of state for grains, is now in Geneva. After a meeting with the Cairns Group, he had discussions with other officials from foreign countries that share our position on that issue. Also, I will meet shortly with representatives from Quebec and Canadian agricultural groups to discuss the situation and to see how we can maintain the marketing boards in Canada. I believe this is a commitment that the government has taken and has every intention of keeping.

[*English*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I did not hear an assurance from the minister yet. Can he assure us here and now that the quantitative controls that are presently in place at the border will remain after the conclusion of the GATT negotiations? Can he give us that assurance now? Yes or no.

• (1500)

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, as I have mentioned, it is our intention to maintain the supply management system in Canada. It is our position. It is our policy. We stand by it and we are not going to change our mind.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's responses to 15 petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

ORDER IN COUNCIL

TABLING OF APPOINTMENTS

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, a

number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110, these are deemed referred to the appropriate standing committees, a list of which is attached.

While I am on my feet, I would like to designate tomorrow an allotted day, the final allotted day of this supply period.

* * *

COMMITTEES OF THE HOUSE

HOUSE MANAGEMENT—19TH REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present the 19th report of the Standing Committee on House Management regarding the selection of votable items among Private Members' Business.

Pursuant to Standing Order 92(2), this report is deemed adopted and laid upon the table.

BILL C-13—REPORT OF LEGISLATIVE COMMITTEE

Mr. Ken Monteith (Elgin—Norfolk): Mr. Speaker, I have the honour to present, in both official languages, the report of Legislative Committee C on Bill C-13, an act to establish a federal environmental assessment process, with amendments.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*Translation*]

CONTRAVENTIONS ACT

MEASURE TO ENACT

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-46, an act respecting contraventions of federal enactments.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Ms. Campbell (Vancouver Centre) moved that the bill be now read the first time and ordered to be printed.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and ordered to be printed.

[*English*]

PETITIONS

AGRICULTURE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a petition signed by 1,050 electors of the great riding of Glengarry—Prescott—Russell. The people of this riding are concerned about the present GATT negotiations and are asking this House and this government to preserve article XI of the GATT which is so vital to Canadian supply managed agriculture.

I am pleased to give my personal support to this petition as well.

GASOLINE PRICES

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I would like to bring to the attention of the House a petition signed by many residents of Nepean, Ottawa, Hull, Gatineau, Vanier, Gloucester, and so on.

All these residents are calling on the government to take action in order to correct the injustice when it comes to the gasoline prices in the Ottawa-Carleton region.

JUSTICE

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I have the honour to present a petition with several hundred names.

I am told by the member for Hamilton Mountain that 100,000 people signed their names to the petition about the tragic murder of Nina De Villiers. These petitioners are mostly from Ontario. Some are from Alberta, I am happy to say, as well.

They are underlining their concern about the criminal justice system, the fact that sentencing of many violent criminals do not reflect the seriousness of the crime. They are asking that the crimes of violence against a person be treated with amendments to the Criminal Code, the Bail Reform Act and the Parole Act accordingly.

TAXATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have three petitions to present.

The first petition deals with discrimination in taxation. These petitioners, mostly from my constituency, point out that for receipted day care, for example, one can get up to $4,000 worth of deductions for children from birth

to six years of age and $2,000 from seven to fourteen years of age.

The petitioners point out that there is discrimination as well between married couples and those who are not. They are not looking to have those levels lowered. They simply want to make sure that it is fair and consistent.

They also point out that these particular policies discriminate against the amount of time that parents can spend with their children if they choose. That choice is not really there. There are really very few options.

The petitioners ask that these regressive policies and many others be changed.

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my next petition is with regard to the education cuts that have been suffered by all Canadians of almost half a billion dollars this year.

People are really angry about the 3 per cent administrative fee on student loans. They believe it makes a mockery out of terms of globalization, competitiveness and productivity.

The petitioners believe that we need better policy for a stronger, more united, more productive country.

GOODS AND SERVICES TAX

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my final petition is with respect to the goods and services tax on magazines, books and newspapers.

These petitioners point out that we have never had a tax on these materials since Confederation. They point out that reading and associated materials are the cornerstone of a democratic society such as ours.

The petitioners ask that this regressive, malicious tax be removed immediately.

AIRPORTS

Mr. Doug Fee (Red Deer): Mr. Speaker, it is my pleasure to present 36 pages of petitions which have all been certified correct by the clerk.

These petitioners are calling upon Parliament to take a look at the proposed regulations respecting the closing of the airports in Banff and Jasper National Parks.

For reasons of public safety and mobility the petitioners are calling upon this Parliament to make sure that those two air strips remain open.

It is my pleasure to endorse and support their petition.

UKRAINE

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, it is my privilege to present today a petition from many constituents in Saskatoon—Dundurn of Ukrainian descent.

The petitioners point out that on August 24, 1991 the Ukrainian Parliament declared independence for the democratic state of Ukraine. They also point out that the Governments of Canada and Ukraine have signed an agreement to strengthen contacts in the spheres of politics, the economy, science and technology, education, the arts and other areas as well.

The petitioners point out that Canadians of Ukrainian descent have supported the concept of a Ukrainian homeland for over the 100 years which they have lived in Canada.

They are calling upon Parliament to urge the Government of Canada to give genuine support to the people of Ukraine by officially recognizing Ukraine's independence and establishing full diplomatic relations with the government and the people of Ukraine immediately following the positive confirmation of the vote in Ukraine's referendum on December 1.

It has been taken. It has been confirmed and I call upon the government to do as my petitioners so humbly pray.

• (1510)

ABORIGINAL LANGUAGES

Mr. Stan Keyes (Hamilton West): Mr. Speaker, pursuant to Standing Order 36, I have the duty to present to this House three petitions.

The first petition is signed by Canadians living from Vancouver to Whitehorse. The petitioners pray and call upon Parliament to fulfil its duties and responsibilities to the citizens of the First Nations and aboriginal peoples in Canada by taking immediate steps to recognize the right to use, preserve and enhance aboriginal languages in the Constitution of Canada.

REFUGEES

Mr. Stan Keyes (Hamilton West): The second petition is signed by literally hundreds of individuals.

These petitioners humbly pray and call upon this House, and especially the Minister of Employment and Immigration and the Secretary of State for External Affairs, to speed up the processing of any outstanding refugee backlog and refugee claimants' applications.

JUSTICE

Mr. Stan Keyes (Hamilton West): The last petition I have today is signed by many people living in the Hamilton and Burlington areas.

These petitioners join over 100,000 other petitioners in our area of Hamilton—Burlington. The member for Hamilton Mountain initiated this petition. She got together with a family who suffered a tragedy, the parents of Nina De Villiers.

The petitioners draw to the attention of this House and request that Parliament recognize that crimes of violence against the person are serious and abhorrent to society and that we should amend the Criminal Code of Canada, the Bail Reform Act, 1972 and the Parole Act accordingly.

GOODS AND SERVICES TAX

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, on behalf of many residents of Brandon—Souris, I am tabling a petition today which asks the Government of Canada to classify women's sanitary products as essential commodities so that the purchases of such may be exempted from the GST.

REFUGEES

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, pursuant to Standing Order 36, I too have the honour of tabling close to 2,000 petitions which are in addition to the over 2,000 already tabled on the subject of allowing east European immigrants to remain legally in Canada without prejudice.

The petitioners state that east European refugee claimants are being refused landing at the pre-inquiry humanitarian and compassionate reviews. Many are being prejudiced by the delay in the processing of their claims.

The petitioners humbly pray and call upon Parliament to request the Minister of Employment and Immigration and the Secretary of State for External Affairs to speed up the processing of any outstanding refugee backlog and refugee claimants' applications, to accept all persons registered in the refugee backlog who are established in Canada for landed immigrant status at the pre-inquiry humanitarian and compassionate reviews, and to allow any persons registered under Bill C-55 provisions to apply for landing under the self-exile program provided they were in Canada prior to August 31, 1990, the date that the program officially ceased to exist.

GUN CONTROL

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I have the honour to present four petitions on the issue of gun control today. The first one calls upon Parliament to enact immediately laws requiring that all firearms be registered and included in a national data base of owners and weapons.

The second one calls upon Parliament in French to do the same thing.

The third one asks Parliament to enact immediately laws forbidding the ownership of firearms in Canada for any person with a criminal record.

The fourth petition calls upon Parliament to enact immediately laws forbidding anyone in Canadian territory from having in their possession automatic or semi-automatic firearms.

UKRAINE

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I rise to present a petition from the people of Winnipeg, particularly Winnipeg North Centre, who are concerned about the slowness in the recognition of Ukraine by the Canadian government.

Winnipeg has one of the biggest concentrations of Ukrainian Canadians. They have shown their concern not only through petitions but by showing up at rallies such as yesterday's in downtown Winnipeg.

The petition humbly prays and calls upon Parliament to urge the Government of Canada to give genuine support to the people of Ukraine by officially recognizing Ukraine's independence and establishing full diplomatic relations with the government and the people of Ukraine immediately following the positive confirmation vote which was held on December 1, 1991.

JUSTICE

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, I have the pleasure, pursuant to Standing Order 36, to present several hundred petitions with probably several hundred thousand signatures to add to the over hundred thousand we already have.

These petitions are from Nova Scotia, Edmonton, Toronto, Oshawa, Cambridge, Woodstock and all over southern Ontario.

These petitioners are supporting the parents of Nina De Villiers who was murdered a few months ago. They feel there are serious deficiencies in the Criminal Code. They ask Parliament to recognize that crimes of violence against a person are serious and abhorrent to society and they ask Parliament to amend the Criminal Code and the Bail Reform Act, 1992, accordingly.

GASOLINE PRICES

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to rise today to present a petition signed by numerous residents of the Ottawa area who are calling upon Parliament to urge the government to correct the injustice to Ottawa area motorists because of high gasoline prices.

The government's hands-off approach to gas prices, as to interest rates on credit cards, indicates its willingness to tolerate this rather pernicious price gouging which frankly these petitioners are objecting to with good reason. I wish to indicate my support for their petition.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the following questions will be answered today: Nos. 125, 134, 154 and 170.

[*Text*]

Question No. 125—**Mr. Manley:**

What is the anticipated gross national revenue in 1991 from the goods and services tax with respect to (a) children's clothing (b) home heating oil and gas (c) air, train and bus passenger transportation (d) non-prescription drugs (e) funeral services (f) postage stamps?

Hon. Donald Frank Mazankowski (Deputy Prime Minister and Minister of Finance): It is assumed that the hon. member is essentially interested in determining the GST paid by consumers on the expenditures listed in the question.

The data sources available to the government do not provide for an expenditure breakdown for all the categories listed in the question. The following is the closest approximation available to those categories:

Anticipated GST Revenues

($ Millions on an Accrual Basis for 1991)

(a)	Clothing – includes both children's and adult's clothing	1,240
(b)	Home Heating Oil and Gas	345
(c)	Purchased Transportation – includes air, train, bus (urban and intra-urban), boats, and taxis	475
(d)	Non-Prescription Drugs	140
(e)	Funeral Services	not available
(f)	Postage Stamps	not available

Question No. 134—**Mrs. Maheu:**

With respect to the matter of redress for the Chinese head tax (*a*) has the Minister of Multiculturalism and Citizenship met with representatives of the Chinese community in Canada to discuss the matter (*b*) is the government committed to proceed with a redress package ship, and, if not, for what reasons?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): (a) On instructions from the Prime Minister, the Minister of Multiculturalism and Citizenship has met with representatives of the Chinese Canadian community on a number of occasions to discuss this issue.

During his most recent meeting with the Chinese Canadian National Council on October 28, 1991 the minister received detailed proposals which he will study carefully.

The minister has also been meeting with representatives of other aggrieved ethnocultural communities. As soon as he has heard from all interested parties, the

minister will report his findings to the Prime minister and his cabinet colleagues for their consideration.

Question No. 154—**Mr. Jordan:**

Did the Solicitor General of Canada recently travel to Victoria, British Columbia, on government business and, if so, (a) how many days did the minister spend in Victoria (b) what was the total cost for accommodation and travel for the minister and the public servants who accompanied him on the trip?

Hon. Douglas Grinslade Lewis (Solicitor General of Canada): On October 11, 1991, the Solicitor General of Canada travelled to Victoria, British Columbia to attend the Criminal Justice Association of Canada Conference.

a) One day.

b) The minister was accompanied by one exempt staff member and one contractor and the total cost for accomodation and travel was $1,228.32.

Question No. 170—**Mr. Proud:**

With respect to members of the Veterans' Appeal Board, (a) who are they (b) what are their salaries (c) what is the term appointment for each member (d) have there been any resignations during the last two years and, if so, for what reasons?

Hon. Gerald Stairs Merrithew (Minister of Veterans Affairs):

MEMBERS

(a)	Chairman	–	Twila Whalen
	Deputy Chairman	–	Bernard Cormier
	Members	–	Roger Wedge
		–	Kathleen McCorkell
		–	Brendon McGinn
	Additional Members	–	John Diamond
		–	Robert MacArthur
		–	Brian McKenna
		–	Albert Lawrence
		–	André Roy
		–	Melbourne Gass
		–	Robert Howie
		–	Gaston Garçeau
		–	William Wright

SALARIES

(b)	Chairman – (GIC–7)	$95,200 to	$112,100
	Deputy Chairman – (GIC–5)	$77,800 to	$91,700
	Members and Additional Members – (GIC–4)	$71,300 to	$83,900

TERM APPOINTMENTS

(c)	T. Whalen	7 years
	R. Wedge	7 years
	B. Cormier	5 years
	K. McCorkell	5 years
	B. McGinn	5 years
	J. Diamond	3 years
	R. MacArthur	3 years
	B. McKenna	3 years
	A. Roy	3 years
	M. Gass	3 years
	R. Howie	3 years
	G. Garçeau	3 years
	W. Wright	3 years
	A. Lawrence	3 years

RESIGNATIONS

(d)	Norman Pimlott	–	reassignment to the Canadian Pension Commission
	Mike Forrestal	–	appointed to the Senate
	George MacKay	–	retired

* * *

[*English*]

STARRED QUESTIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, would you be so kind as to call Starred Question No. 95.

I ask that Starred Question No. 95 be printed in *Hansard* as if read.

*Question No. 95—**Mr. Riis:**

Did the government assume costs in relation to the activities of the Board of Inquiry on Activities of the RCMP related allegations made in the Senate of Canada (Cogger inquiry) and, if so, what were (a) the

costs of (i) counsel representing Senator Michel Cogger (ii) of all other counsel (b) all the other costs?

Hon. Doug Lewis (Solicitor General of Canada): In relation to the activities of the Board of Inquiry on Activities of the RCMP related allegations made in the Senate of Canada (Cogger inquiry), expenses which have been paid or will be assumed by the government are as follows:

(a)(i) Counsel representing Senator Michel Cogger, $27,321.65.

(ii) All other counsel, $462,695.

(b) All other costs paid up to September 30, 1991, $455,190.

Mr. Cooper: I ask that the remaining questions be allowed to stand.

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

Some hon. members: Agreed.

* * *

MOTION TO ADJOURN UNDER S. O. 52

CROATIA

The Acting Speaker (Mr. DeBlois): I have an application under Standing Order 52.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I would like to seek leave to move the adjournment of the House under Standing Order 52 for the purpose of discussing a specific and important matter requiring urgent consideration, namely the unfolding tragedy in Croatia.

The federal Yugoslavian army continues its unrelenting attack against Croatia and has resumed shelling of Dubrovnik. A recent report of the European Community monitors has documented widespread and unprovoked attacks against civilians, hospitals and schools.

Finally, on November 18 this House did have an important debate on this question. I hope that the House would agree once again to debate this issue to look at the very serious situation, including the possibility of the immediate sending of UN peacekeeping troops and the question of Canada's recognition of Croatia and Slovenia.

I hope the House would agree to an emergency debate tonight on this desperate situation which affects the people of Croatia and about which all Canadians are deeply concerned.

SPEAKER'S RULING

The Acting Speaker (Mr. DeBlois): The hon. member for Burnaby—Kingsway raises a very important and troubling question, but under the present provisions of Standing Order 52, I cannot grant the request of the hon. member for Burnaby—Kingsway for the time being.

GOVERNMENT ORDERS

[*English*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed consideration of Bill C-32, an act to amend the Canada Assistance Plan, as reported (without amendment) from the Standing Committee on Finance; and of Motion No. 1.

Mr. Sid Parker (Kootenay East): Mr. Speaker, I wish to speak out against Bill C-32. I am resuming my debate begun prior to breaking for Question Period when I was discussing what the Prime Minister had said during the last election and during the free trade agreement. He stated that the social programs were sacred and that he would see they were kept sacred in Canada.

Of course we have a bill here that brings about a 5 per cent cap for British Columbia, Alberta, and Ontario. That is not bringing about a universal system.

• (1520)

I want to say that during the free trade agreement when these kinds of discussions were taking place and they were talking about the level playing field, these were the kinds of issues we tried to bring before the Canadian people, what this government would be doing.

I want to refer a bit to some of those programs and how it is affecting them. This government brought in the free trade agreement shortly after we came back to the House. After all the profits being made by the banks we have Bill C-21 which makes it harder to get UI and makes it run out more quickly.

Again we have the government bringing in Bill C-21 which will change the whole system. In the past the

workers, the employers and the government shared equally in contributing toward that program. Now the government has brought about a change which eliminates its participation in that program. It is strictly an employee–employee relationship. This reverts directly to the free trade agreement, so that it can say to the Americans that it is not subsidizing this program any more.

Then we go to another act that came into the House dealing with the partial deindexing of family benefits. It means families that need money get less each year. This is another program to show its American friends that it is not going to be subsidizing these programs.

The clawback of family allowance and pensions, also partially deindexed, means that the threat of cut off of benefits gets higher each year. Again the government can say to its American friends that it is looking after this and bringing about an order that brings about a fairer playing field.

There have been further cuts to social assistance, to health and post–secondary education. Bill C–69 and Bill C–20 are threatening the future of medicare and accessible education. Again we come right back to the free trade agreement because that is what is happening. This government is systematically bringing about changes to the programs in Canada to try to meet the needs of its American friends.

There is still no sign of the long promised national child care strategy which is so desperately needed in Canada. There is no mention of that during these times.

We have the high Canadian dollar which the former President of the Treasury Board in the last government told the Canadian people was directly related to free trade. The high Canadian dollar was promised to the Americans to offset the kinds of markets we were going to be dealing with.

That high Canadian dollar in Kootenay East has affected our coal sales and our national sales, because it is all tied to the Canadian dollar and how we sell our mining materials. We have had those kinds of problems throughout and they directly affect our social programs.

The GST is directly related to the free trade agreement. What we have seen here is a system of programs brought about by this government to implement its free trade agreement.

The Prime Minister promised the Canadian public that the free trade agreement would not affect our social programs. The Prime Minister said it was a sacred trust. I say the Canadian people cannot trust this government or the Prime Minister to look after our universal social programs. They are under serious threat. We must stand up in this House and defend those programs at every opportunity we get.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, the convention on the rights of the child was the main topic of the UN summit on children co–sponsored by Canada on September 29 and 30, 1990 in New York City. I understand that Canada will be adopting the convention for ratification some time this week.

The summit for children made a declaration which was very progressive, very compassionate and very far–reaching for the children of the world and for the children of Canada.

Unfortunately the rhetoric of the government does not necessarily come out in its legislation. We have before us action being taken by the government which indicates that its sincerity in the summit a year and half ago in September and the ratification which is coming this week are mere words. It is not taking the same kind of action for the children of Canada.

One of the government's actions relative to children is this Bill C–32 which puts a limit on the amount of increase the federal government can or will make to the Governments of B.C., Alberta and Ontario relative to the Canada Assistance Plan. The Canada Assistance Plan is basic legislation in the country which was set up to alleviate poverty and support things like the Canada Health Care Program.

If you are poor in Alberta it hurts just as much as if you are poor in Newfoundland. Poverty is always hardest on children. All this discussion about the summit and the convention of the rights of the child is so much rhetoric when you allow children in this country to live in poverty.

For example, one child in six in Canada is poor. There are over a million children under the age of 18 in Canada who live in poverty, making children the largest single group of people living in families on low incomes.

Does the government think that none of these children live in Quebec, Ontario or Alberta? Almost half the number of Canadians who rely on food banks for something to eat part of the time are children. Approxi-

mately 284,000 children go hungry and need to go to food banks to eat. An article in *The Globe and Mail* says:

> As many as 284,000 children in Canada won't have enough to eat this holiday season, a spokesman for the Canadian Association for Food Banks predicts. Gerald Kennedy, who is also the director of the Daily Bread Food Bank in Toronto, said that this estimate is based on the number of households receiving social assistance and relying on the food banks.

There are 50,000 children who go without food part of the time and need to use food banks in Montreal. We could do that kind of liturgy for every one of the large communities across the country.

The government keeps telling us that there are less poor in the world or in Canada lately. Although there has been a decline in the number of children living in poverty in Canada since 1984, there are still more poor children than there were 10 years ago, despite a 3.7 per cent decline in the total population of children in Canada. As if Bill C–32 is not damage enough, we have gone through another series of bills over the last few years which has contributed to the poverty that children live in or the difficulty their parents have taking care of them.

As my colleague has mentioned, Bill C–21 makes UI harder to get and it runs out more quickly. There was a partial deindexing of family allowances and of old age pensions. The clawback of family allowances and old age pensions which have already been partially deindexed means that the threshold for cutoffs of benefits gets lower each year.

• (1530)

There have been further cuts for social assistance and for health and post–secondary education in Bill C–69 and Bill C–20. These bills threaten the future of medicare and accessible education.

This kind of legislation contributes to the malaise that is felt all across the country. It also contributes to the poverty, the need for food banks and the need for more assistance. This bill suggests there is a need for more assistance to these kinds of situations but that need is not in Ontario, Quebec or Alberta.

We are dealing with the problem of disunity in Canada and we are contributing to this kind of disunity by treating some provinces differently. Bill C–23 is another attack by this government on the social programs the government claims it is doing in the name of fiscal restraint.

Fiscal restraint depends on how we spend the money or where we get the money. The government is getting its money from the poor who are the people who need it most. It is allowing the banks to increase their profits by over $137 billion this year. It is not taxing them anywhere near the level that they are taxing the poor. If those banks paid 7 per cent tax on that amount just like we do on every product we buy, we would get a lot more taxation from the banks.

My colleagues and I will not support Bill C–32.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I appreciate the opportunity to rise in opposition to Bill C–32.

Our party has been in the forefront of opposing this legislation when it came to the House earlier in September. I thank my many colleagues who rose at that time to keep the debate going. We opposed it during the budget. We lead the way in opposing it during the committee hearings. Many groups came to us and they had the same perspective as the Liberal Party in that not only do we oppose Bill C–32 but we also oppose Bill C–20.

Those who are interested in looking at the record will notice that last week one member after another rose on amendments and on a major motion to protest to the government about the declining support for health and social welfare.

This week I was struck by two more developments. The first was the articles in the newspaper about the increase in the number of people who use the food banks, particularly for children. As we head into winter I am struck by the number of times we see nothing but negative articles about this. I was fortunate to visit the Soviet Union. I saw the bread lines forming throughout the Soviet Union, particularly in Russia. You say to yourself: How can that country survive the lack of food? You come back home and you look not at the same scale but at the same phenomena. We can no longer feed our youth. We can no longer care for the people who have turned to us for years.

I was struck by the report coming out of Nova Scotia from the Nova Scotia working committee on the Constitution. In its report entitled *Canada: A Country for All* there is a discussion of social programs on page 28:

Nova Scotians are of the view that our social programs must be preserved, protected and promoted across the country. This includes universal hospital and health coverage, unemployment insurance and all the rest of the net of programs which guarantees a level of assistance to all Canadians.

Interest was also expressed in extending that net through changes like a guaranteed annual income. Other people are worried about the consequences of the changes that are taking place at the federal level.

Let me just say that that paragraph in a capsule expresses the concern about social programs and the implications of bills such as Bill C-32 are not those of the whimsical interests of the opposition parties. In fact they are at the heart of the concern being expressed across the country.

The damage has not only been done by the federal Conservative Party. One of the ironies is that the provincial government in Ontario last week was unable or unwilling—this is perhaps a better word—to contribute to those people on social assistance who so desperately need support. I am sure the member for Kingston and the Islands would have noticed this since it is his province.

According to testimony in front of the committee on finance last week, over 900,000 people in Ontario are now on social assistance. According to some reports, over 250,000 of those people live in metropolitan Toronto.

Here is the jewel of our country being destroyed federally by the Conservatives and provincially by the NDP. The hon. member for Kingston and the Islands knows that. One of the saddest things is that in the narrow partisanship of the NDP in this debate, they refuse to address these national issues.

They refuse to understand that the question of tax reform permeates not only federal but provincial governments. They join the ranks of the provincial premier who for endless generations attacked the federal government looking for a scapegoat.

Here we have now the new Messiah in Canadian politics, the premier of Ontario. What does he do? He chooses to attack the federal government. It is an easy way out, but you must be committed to reform across the board and willing to chastise your colleagues when the time comes to chastise them.

The Liberal Party which is more experienced in governing knows full well how to chastise its colleagues when time comes.

Mr. Angus: Tell us about the provincial Liberal government which left us a deficit of $8 billion.

Mr. Walker: The member for Thunder Bay—Atikokan said the Liberal government in Ontario left "us" a deficit of $8 billion. He said: "us", the royal "we". Here we have a voting member of the Ontario legislature joining us. He has a dual appointment. What an anomaly. It is us or them. There was that whole speech by the last member. It is us or them. Tax the rich. Save the poor. It is a great new speech. I have not heard that for 200 years.

What is it with these guys in their analysis? They have not read anything for 200 years. They have no understanding of the changes going on in Canadian society. They have no understanding of how to fight for Canadians. Instead they stand up with these cliches in the House hoping to fool their householders with no understanding of the damage that they are doing.

Mr. Angus: A good example is standing there.

Mr. Walker: The member is throwing some support. That is very kind of him. A multipartisan approach in this thing would be greatly appreciated.

I stand up decrying the misuse of the House for partisan points and wishing that all members would understand that it is the responsibility of all levels of government to help the poor.

I oppose Bill C-32 because it shows the inability of this government and the unwillingness of this government to fight for the poor of this country. I decry those other governments when it takes a mandate on one premise, then turns around and governs on a different premise.

I know parties who have always criticized the Liberal Party: "You campaign from the left but you govern from the right". We are seeing across this country people manipulating and voters given the hope of a better future and it turns around and treats them more miserably than the last government.

It is a shame but one that should be spoken about in public so that all Canadians understand this debate that is taking place.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I must say that the bill before us in its timing as it winds its way through this House and on to the other

place is a very lousy Christmas present for the poor people and the lower income people of this country.

During my short intervention I want to give an indication of what we are up against. I want to talk about my own community to let you know what the impact has been of the economy brought to us by the Government of Canada.

There is the high dollar, the higher interest rates although they are coming down, which is a plus, and the free trade agreement. We have seen mills close entirely. We have seen work forces at paper mills cut in half. We have seen the woodlands operations almost disappear. One company is planning on making them all but disappear because of the change in operations.

We have seen an increase in general welfare assistance. The number of beneficiaries has gone up by almost 19 per cent from September 1990 to September 1991.

• (1540)

We now have 3,767 beneficiaries in the community of Thunder Bay with a population of about 110,000. Our social services department estimates a 56.4 per cent increase in general welfare assistance expenditures for 1992 over 1991.

We have to recognize that the Canada Assistance Plan is a formula that at one time ensured that provincial governments and municipalities could afford to deal with the fluctuations as the numbers of welfare beneficiaries rose or dropped.

We now find that in Thunder Bay our gross costs in 1992 will be $28.5 million to look after the people in our community who have no jobs, who have no unemployment insurance, who have no disability payments and who have no pensions in order that they can get by in a very meagre way.

We are seeing signs in other areas. There are ramifications from this kind of playing with peoples' lives and peoples' futures. The Lutheran Care community in Thunder Bay provides for people who come in looking for help. In 1991 they gave out 755 hampers up to September or about 84 a month. It is interesting to look at the breakdown of the income source of these people: some 44 per cent are general welfare recipients, 20 per cent are on family benefits, 9 per cent are on disability income; 12 per cent are unemployed, 12 per cent are the working poor and 3 per cent are transients. This is some society we have where people on government income assistance still have to rely on churches and church organizations and community organizations to get by from month to month.

The Do Drop Inn is a soup kitchen operated by St. Andrew's Roman Catholic Church in Thunder Bay. It serves about 80 people a day. That is up 30 per cent from last year. Fifty per cent of their clients are psychiatric patients who have been deinstitutionalized. They were turfed out into the streets without any kind of support whatsoever.

At this time of year when we obviously tend to think of others less able or fortunate than us, we find that in Thunder Bay we are expecting that 2,600 hampers will have to be produced for the Christmas cheer fund to be delivered to 3,900 children and 2,100 adults. That is 6,000 people who need the assistance of charity in order to get by this Christmas. I do not think that is the kind of society we want. By capping CAP we are contributing to that situation in our society.

In our emergency shelter, there has been a 40 per cent increase in 1990 over 1989 and another 18 per cent increase this year. In 1991 they averaged 75 people per day at the soup kitchen.

When the Government of Canada through the first bill and now through Bill C–32 decided to put a cap on the province of Ontario, the province of British Columbia and the province of Alberta, they in effect decided that if you are poor in Ontario it is different than being poor in Atlantic Canada. If you are poor in Alberta, it is different than being poor in Saskatchewan. If you are poor in B.C., it is different than being poor in the territories.

Surely this government understands that you are poor no matter where you live; if you do not have enough money to put a decent roof over your head or to wear clothing appropriate for the climate that we have or to purchase the kind of food that an individual and family needs to get by in a healthy way. Poor is poor is poor. The government says to Ontario, Alberta and British Columbia that it is going to slow down the money coming into their provinces because they are have provinces. I cannot

speak for Alberta or B.C., although I know that times are tough there as well, but I can tell you that in Ontario we have been ravaged by the recession. We have been ravaged by the free trade agreement brought to us by this government. We have been ravaged by the high dollar that has seen thousands of jobs across the north disappear, not just temporarily but forever. We have been ravaged by the changes in unemployment insurance, so those people who do have a good severance package find their income eroded because of the UI regulations and legislation. We have been devastated by the softwood lumber fiasco that this government allowed to happen. Sawmill after sawmill is closing, woodlands operations are closing and people who have no other skills, who rely on the Canada Assistance Plan to get by, are thrown on a waste heap.

I am the first to admit that money made available to welfare recipients and to anyone on income support, by federal and provincial governments, is insufficient today to meet their needs. There is no question about it. The federal government is saying to Ontario, Alberta and British Columbia that they have to do more on their own. It is not going to help them as much. By saying that, the government is telling the people of Ontario, Alberta and B.C. it does not value them in the same way it used to. It does not care if they are hurting. It does not care if they have massive increases in unemployment and welfare rolls. They have to find their own funds.

In previous governments, both Liberal and Conservative federally, when money slowed down from the federal level to the provinces, the provinces found themselves having to transfer the responsibility down to the local level. Provincially and federally, revenues primarily come from income tax, while at the local level it is user fees or property taxes.

Municipalities can no longer afford any increases. In some ways the federal government is transferring its deficits to the provincial level. The provincial levels find themselves shifting the deficits to the municipal levels. It is all the same taxpayers. They all have had enough of this game playing. They are crying out for some kind of fair tax system to ensure that services are provided to those who need them when they are needed in a quality way, without putting people on the streets and cutting back on programs for income assistance, child care, community services support and what have you.

That is why my party has always opposed this bill. That is why we will be voting against this bill. It is wrong, wrong, wrong, just like this government is wrong, wrong, wrong in almost everything it does.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, it is really quite unfortunate that we are dealing with this legislation, Bill C–32, legislation to put a cap on CAP, the Canada Assistance Plan.

At this date, the House moves toward its adjournment at the end of the week for the Christmas time period. Most Canadians are hoping that it will be a festive season, when in fact the government of the day is the grinch of the day. Canadians will find lumps of coal in their Christmas stockings from the Conservative government this year as in the past couple of years.

It is amazing as well how much damage a government can do with a bill that is two pages long. The legislation we have been debating lately is 300 to 400 pages long, is very complicated, amends a great number of bills and requires a great deal of concentration and scrutiny to see exactly what is being done.

Today it is different. In two quick pages, this government is doing more to try to destroy social programs in Canada than the 400 page bill that we dealt with just the other day. It is important to really put on the record some of the concerns and problems that we have on this side of the House, certainly in the New Democratic Party in any case, over this legislation.

Let us have a little bit of background. "The Canada Assistance Plan, which was enacted in 1966, had the objective then of encouraging the further development and extension of assistance and welfare services programs throughout Canada by sharing the costs of such programs with the provinces and territories". That is official. That is from the Minister of National Health and Welfare in a letter that he wrote to me when I expressed my concerns about Canada Assistance Plan funding and the various programs and how they might apply in my community, primarily the Prince George area.

• (1550)

The result of this government's more ideological view of the world is its concern for Canadians and its drive to

really put that Conservative imprint on the social policy in Canada, a policy that is failing in Canada.

There is no question that when you talk to Canadians in each province, you will find that people are rejecting the Conservative view of the world and we are all hopeful that in the election which will come either next year or the following year, Canadians will ensure that they follow through with their vision of what Canada should be at the ballot box and send a strong message to the Conservative Party.

This legislation, which allows for the extension of the 5 per cent limit on the Canada Assistance Plan in B.C., Alberta and Ontario, as my colleague from Thunder Bay said, means you are different if you are poor in Ontario, British Columbia or Alberta. You are different there because this government has decided that those provinces are not deserving of the ongoing commitment to social assistance and social programs that the federal government should be providing.

The very provinces being affected by this legislation from the government are the provinces that likely are going to be in the greatest need of the Canada Assistance Plan. When the economy is failing as it is, because of the GST, because of free trade and the other economic measures of this government, it is these provinces that traditionally in our country have been seen as the provinces in which if you lose your job somewhere you can go to these provinces and try and find other employment and what have you. Unfortunately for many of the people in our country, they end up on assistance, be it in British Columbia, my province, or in Ontario in which the municipalities even have to share in some of the costs.

It must be an incredible burden for some of these local governments in Ontario, given the devastation that free trade and the tax policies of the government have wrought on that province.

The Canada Assistance Plan is an important and integral part of the kind of programming we have put together in this country, the shared vision of Canada between the federal and provincial governments. We have the Canada Assistance Plan, a 50/50 sharing program with the provinces. We have the Established Programs Financing focusing primarily on post-secondary education and health, which is suffering, as I have raised in this House many times. We have the block funding formula which was started by the Liberal Party and now allows some provinces to spend health and education money on highways. We have the equalization formula.

We also have a number of specific federal-provincial agreements which help develop the economic aspects of our country and provide for the different social programs such as forestry in British Columbia. Our agreement there fell far short of what was required. Nova Scotia, as another example, is still waiting for the minister of forestry to actually sign the agreement with that province, though he tells the forestry committee that he hopes that maybe before Christmas some of the ministers who want to get in on this can all get their date books together and find some time to actually sit down and sign on the dotted line, so to speak.

This Canada Assistance Plan plays an important role. It is a vehicle through which the federal government works with the provinces and in some cases with local governments to deliver social assistance programs.

I have done some research in my own area of Prince George.

I have a list of some 20 organizations that are registered by the government as societies that can benefit from this: Mums and Kids Drop-in, Native Friendship Centre, the YM-YWCA, the Home Support, Senior Citizens Activity Centre, Spruceland Parent Participation Nursery, Cerebral Palsy Association. All of these organizations are now likely in the next year or so to realize the impact of what we are debating here today, that two-page legislation. These organizations in Prince George are going to find out in the next year or two what it means to them.

When Ronald Reagan was in office, this government talked about the benefits trickling down. We know that does not happen. We know that under the Conservatives and under the Socreds and under the Liberals it is not the benefits trickling down, it is the benefits drying up. That usually is what happens under these governments.

The key aspect of all of this is that it is a way for this federal government and our provinces to work together to develop the kind of programming which means that

for the most unfortunate among us we have some assurances that they are going to be taken care of. There cannot be anything more important for a government to do. Raising and spending tax dollars is not more important than ensuring that its citizens are protected, fed and housed.

It is these kinds of programs that help do that. It is this kind of legislation that is starting to destroy those measures. We hope that some of the members opposite will go back to their ridings and find out what the impact of this legislation is going to be and what changes it is going to impact on them. I hope that when we vote on this bill they will reconsider the government's position, they will reconsider what the government is trying to do and join with members on this side of the House to oppose Bill C-32. I hope they will do that in good spirit, in the spirit of friendship and in the spirit of the festive season.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, this is not the kind of bill that should get a very easy ride in this Chamber. What the bill and this government are doing, and the bill's predecessor Bill C-69 has done the same thing for the fiscal years 1990-91 and 1991-92, to those categories of people is so devastating and so unfair that this bill should get the roughest possible ride almost of any piece of legislation that comes before us here.

This is not something about which we can sit on hands and plead party loyalty, or whatever the glue is that keeps that crowd together over there. It is certainly not common sense. Common sense must have deserted that crowd long ago or it would have many months before coming unstuck as a team over the goods and services tax, just as an example. Eighty-five per cent of the people out there are against it and this crowd is refusing to turn up its hearing aid or is refusing to hear.

Nobody is so deaf as he who will not hear. Has the government not learned any lesson at all as a result of that shemozzle called the goods and services tax? Has it learned nothing as a result of the misery it has inflicted on people with its free trade agreement? How many times do you want to be hit over the head with baseball bats before you get simple messages? Are they all kamikazes over there, all suicide oriented in political terms? What is wrong with this crowd?

• (1600)

They look like normal people. They have nice shirts and ties, or dresses and so on as the case may be, but they behave most abnormally. They do not respond.

One time during my university days, I had the occasion to visit B. F. Skinner in his classroom at Harvard University. He showed me the famous Skinner box. He was the authority on the matter of the Pavlovian response, the stimulus and response connection.

This crowd, including my good friend from the riding of Red Deer, does not respond to the kind of stimulus that Dr. Skinner was talking about. As politicians or as human beings these people do not seem to be reached by things like human suffering. They seem to have awfully thick hides on matters that normal people respond to.

Go out there now to the shopping malls during Christmas and you see normal people who cannot walk past the Salvation Army or one of those Christmas kettles because it is an opportunity for them at this season to say in tangible terms that they feel for those who are down and out. They would like to do something tangible about it.

Compare that and trust that to these people over here. They do not seem to understand that the public, the poor, are going to be devastated one more time by this bill. The poor do not need another kick in the shin from this crowd. They need a bit of compassion. Times are rough out there. They are very rough. They are rough in my province of Newfoundland and Labrador, but they are rough in Ontario.

That is only half because of the NDP government. They would have been fairly rough anyway. They would have been rougher but that is another story. They are rough in Ontario.

Mr. Skelly (Comox—Alberni): Trying to spend the Liberal deficit.

Mr. Simmons: I knew that would get a rise from my friend from British Columbia.

Great British Columbia. There are poor in British Columbia, too. There are poor all over this country.

Mr. Heap: That is right and you can blame it all on the new government after a couple of weeks in office?

Mr. Simmons: My friend from Spadina should know a couple of things. One is that the government in Queen's Park has been there considerably longer than two weeks.

Mr. Heap: Trying to catch up on the Liberal deficit that the Liberals lied about.

Mr. Simmons: He is not only being unparliamentary, he is also being inaccurate.

Mr. Heap: They concealed it.

Mr. Simmons: He is also doing something else. He is giving one of the finest speeches he has given in this Chamber. I am going to make a deal with him.

If he will shut up for the next five minutes, I will sit down and listen to him for ten. As he knows, I only have ten. I love an opportunity to spar with him because he helps the case that I am making here.

The specific case I was making is that Tories seem to be so preoccupied with the political agenda that they have not got time for the people of this country. What the gentleman for Spadina has just done unwittingly is demonstrate to me that the NDP across is no different. All he wants to do is fly the NDP flag and sit here and tell us that the poor crowd led by the arm chair socialist named Bob Rae has only been at it a couple of weeks.

It has had a couple of devastating weeks, I will say to him. God help the people if it stays there very long.

I ask the member for Spadina and the other NDP members in this Chamber plus the Tories in this Chamber to listen to what I am really saying. Would they put aside their partisan agenda for a moment and spend less time defending the Bobby Raes of this world and more time defending the poor people out there who are going to be devastated by this bill?

They are going to be devastated by this bill.

You can call it Liberal deficits or Tory this or NDP that all you want, but when we get into the frame of mind that somehow you can define a person's goodness in this Chamber by what party label he wears alone, it is time to have a good long look at yourself in the mirror, whether you are from Spadina or wherever you are from.

Mr. Heap: You have forgotten. You started it.

Mr. Simmons: Mr. Speaker, we are hitting a few nerves and that is fair ball.

Mr. Heap: Hitting yours too.

Mr. Simmons: One of the nerves the member for Spadina is hitting is my nerve and he is absolutely right. When I hear that tripe, that absolute nonsense, that somehow the crow of socialists in Queen's Park can do no wrong, I happen to have difficulty with that. As a matter of fact, what he responded to was just a throw away line.

What I was really trying to say, since he is not saying it very well on behalf of the people who sent him here, is that people in Spadina are hurting too. Maybe one of the reasons they are hurting is because of the kind of government in Queen's Park. That is only one of the reasons. There are many other reasons.

Whatever the reason, it does not help a poor person who cannot buy the groceries to know the reason he is hurting unless somebody is doing something about the reason, unless somebody is doing something to help him or her buy the groceries.

Bill C-32 is another nail in the coffin of that government in partisan terms. In compassionate terms and more to the point it is another kick in the guts for people all over this country who have had already far too many kicks in the guts from this uncaring government.

Despite our differences, for the gentleman from Spadina and I and others, I am sure there is one thing that we will be united on. It is our opposition to this particular bill.

I would appeal to my good friend from Red Deer to show the compassion that he has been known for on a one to one basis.

Mr. Heap: You will be voting for our amendment, will you?

Mr. Simmons: I appeal to him to show some compassion to his constituents back home.

As for the NDP amendment, we will have a look at any sensible amendment which does not give us much time to have to worry about some of the stuff that comes from the NDP. We will put doubts aside and have a quick look at its amendment.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I certainly wanted very much to speak on this bill, to strongly oppose Bill C-32 which will cap the federal financing for social services in three provinces, British

Columbia, Ontario and Alberta. It contravenes in my view, and the view I think of most people in this House, the whole concept and principle of Confederation and unity in this country.

Many people have spoken and there are many facts that have been put on the record today and other days stating why we feel so strongly that this bill really is anti-Canadian. I want to speak particularly on behalf of my constituents in Vancouver East and people on the west coast along with people in Ontario and Alberta who are suffering very much from increased unemployment, from the regression in our economic circumstances and who are not getting the kind of support services that the Canada Assistance Plan should provide during such tough times because the federal government will not pick up its 50 per cent share of the cost.

I ask the government to recognize that unemployment and poverty have increased considerably in these three provinces as in other provinces. It is grossly unfair that the government should be cutting back on financing for essential services.

It means that the budgets of provincial governments and also local governments are very hard hit. They cannot possibly meet the needs without federal help. There is very little money at all for support services such as day care, training programs, community service jobs needed to also assist people to get out of the welfare cycle.

There is really nothing, no increase at all in funds despite the very definite increase in needs in that area.

• (1610)

Because of the desperate state of the economy, for which the federal government must bear responsibility, we have had a collapse in traditional manufacturing jobs and resource related industries. We have men and women who have worked all their adult lives now finding themselves on welfare and with no chance of getting off social assistance in the future.

I am thinking particularly about Vancouver East in British Columbia, and workers who have worked in the forest industry, members of the IWA who have been union members and have contributed so much to building the economy of British Columbia in the past. They now find themselves out of jobs and not only on unemployment insurance but worse still, now on welfare.

I am thinking of the highly skilled workers who have been involved in the past in ship building in my province and the lack of federal support for that industry which has resulted over the past two years in workers not only using up all their unemployment insurance and their savings, but having to go on welfare. These are highly skilled workers.

Free trade has shut down the garment industry and the market gardening industry in which many immigrant people have often found work, particularly until they could learn to speak English and get into the general economy. Also, free trade has caused suffering to businesses that employ immigrants.

We have increased homelessness, people on the streets, living under bridges in Vancouver. We have young people out on the streets getting into drugs and prostitution and who will never get out of that cycle. They would not be there if their families and communities were able to provide alternatives. In many cases the alternative means programs and support of social assistance during hard times.

It is absolutely essential that the federal share of the Canada Assistance Plan should be maintained in all provinces across Canada. We should have a 50/50 sharing of costs. Why should this government discriminate against three provinces, the so-called richest provinces which in reality have been the hardest hit by free trade and by the recession?

It is not only the impact on people and on services and on the cost of government which is so devastating, but it is really a promise and a responsibility of Confederation which is being broken by this government, particularly by this very regressive piece of legislation which erodes the Canada Assistance Plan, one of our most important social programs on the federal level.

I remember that when the Canada Assistance Plan was brought in, it was one of the better social programs established in Canada. When I was in social work and studying social policy, we always said how important it was. This was a progressive program which should be maintained along with our universal floor of social benefits as part of Canada's responsibility to its citizens.

We opposed very strongly moves in the 1970s and 1980s to try to change the 50/50 method of funding when some people, governments in particular, were trying to go for block funding or to open-ended funding such as

we have for established program funding for health care and post-secondary education.

The Canada Assistance Plan was good because provinces and communities could rely on 50/50 funding. When they put out money for social services, including preventive and rehabilitative kinds of services as well as welfare services, they knew that the federal government was obligated to pay 50 per cent back. It meant that we were able, at least in the early part of the 1980s and in the 1970s, to develop preventive kinds of programs as well. Those have all gone by the boards because we have had such increases in the costs of welfare and such reductions by both provincial and federal governments which do not recognize how important this is.

Now we have this government trying to use the Canada Assistance Plan to reduce the capping of CAP, as we say, in three of the largest provinces, and to do so on the backs of the poor.

As I said, we should be maintaining the 50/50 shared costs.

One of my colleagues said that when you are poor and you do not have enough to eat and you do not know how you are going to afford the rent and you have no place to sleep at night, it does not matter which province you live in. It is hard enough on adults who are forced into poverty or who have grown up in poverty and have no chance of getting out of it, but it is a tragedy for children and for young people. It is a tragedy that in a country like Canada they will have no opportunities to hold up their heads and get out of the cycle of poverty.

This government is ignoring the UN Convention on the Rights of the Child and the sanctimonious remarks that the Prime Minister made when he chaired the summit on children a couple of years ago when he said: "We must give children a better future". His government is not giving children a better future by cutting the very moneys that are needed to feed them.

Bill C-32 certainly contravenes the UN Convention on the Rights of the Child.

CAP funding is urgently needed to help, particularly with inner city problems. I would like to mention, as an example, some of the needs and projects in my own riding of Vancouver East. We have caring teachers, parents and community workers who have banded together to document the needs for better health care, the needs of hungry children and the fact that they are dropping out of school and getting into other kinds of social problems because they simply do not have enough to eat and because of all of the effects of poverty.

We know that from infancy, even from prenatal situations, poverty affects children and the stress on families is very severe.

There is no surprise at all that when children become teenagers and when they have not been able to function in school they get into youth gangs. The assaults, suicides and runaway children are very common. In our communities, the inner city schools and their neighbours are trying to do something about this, but they must have Canada assistance moneys continued and both provincial and federal funding to help with school lunch programs, nutrition programs, to help with support for families.

I would conclude by imploring government members to vote against this bill. Join us in voting for the children of Canada and fulfil their obligations as Canadians.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I rise to speak in favour of the amendment that is before us today, which essentially does away with the single section of this act.

Basically this act is an attempt to starve the Canada Assistance Plan out of existence, starting with the three provinces that in a previous time were the wealthiest provinces in Canada. As a result of the policies of the current government, virtually every province in this country is operating on the edge of bankruptcy. It does affect first and foremost the three provinces British Columbia, Alberta and Ontario, which used to be considered under a more favourable political and economic system the have provinces of Canada. Under the current government they have been reduced like virtually every other province in the country to have not status.

My concern about this bill is that it does not even do what the government claims it is going to do. The government says this bill is necessary in order to cut the costs of government so that government can trim its expenses and reduce the deficit, which is largely a result of the interest and principle payments on the national debt. Statistics Canada has already pointed out that the major cause of the debt and therefore the major cause of the deficit in this country is not the social programs. It is

not program spending, as the Conservative government would have us believe.

• (1620)

Statistics Canada pointed out, in a study initially suppressed by the government until it was forced to release it, that 44 per cent of our national debt is due to tax and other concessions granted to large corporations, the wealthy and the powerful in this country.

Fifty per cent of that debt is attributable to the high interest rate policies, not only of this government but also of the former Liberal government. High interest rate policies have resulted in the ballooning of the debt. We now see a debt that is approaching something in the neighbourhood of $400 billion as a result of those tax concessions granted to the rich by both the Liberal and Conservative governments, as a result of the high interest rate policies.

According to Statistics Canada, only 6 per cent of Canada's debt can be attributable to the costs of social programs. The government should be targeting the 44 per cent by reducing some of those tax concessions to corporations, especially the ones not serving any useful purpose, that do not result in what the Conservatives believe in terms of the trickle down theory, because it does not trickle down. Everybody knows the reason it makes tax concessions to the wealthy and to corporations is so they can keep their wealth. They can keep their assets and not pass them down to other people. If you want something to trickle down, why serve the middle man? Why not pay that money directly to the people who require it and stand to benefit from it, the poor and those in need of social programs in this country.

It simply does not trickle down. It is a policy that does not work. It has been demonstrated decade after decade after decade that it does not work. Because it is a part of the ingrained ideology of Conservatives, and Liberals when they are in office, this theory continues to dominate the legislation in this country.

If we want to cut the deficit, do not do it by cutting social programs that everybody knows are not responsible for the deficit. Do it by cutting useless tax concessions to the rich. It has been pointed out in previous debates in this Parliament that we allow a billion dollars in tax to go uncollected in order to finance business entertainment expenses for people involved in large corporations, wealthy people.

One billion dollars. We could reduce the deficit in a single year by one thirtieth if we cut business expense deductions. It does not do Canadians any good. There is no demonstrated value that comes from that business expense deduction. One billion dollars.

Eliminate the ability to deduct losses sustained in businesses overseas from profits earned in Canada. Again, that would save hundreds of millions of dollars from deductions which are allowed to Canadian businesses operating overseas, which serve no useful purpose for people in Canada. Billions, hundreds of millions. There are tax concessions that have been made to business by Liberal and Conservative governments over the years which serve no useful purpose and are responsible for 44 per cent of the national debt. Yet this government has done absolutely nothing to cut those. In fact over the last eight years, it has increased them. The rich are doing even better than they were in the past while the poor have been suffering more.

On October 14 I read an article in *Maclean's* which talks about one of the world's wealthiest men. The eighth wealthiest man in the world is Kenneth Thomson. According to *Maclean's* he makes over $27,800 an hour whether he is awake or asleep, living or dead; $27,800 an hour. There are many people in my constituency who would enjoy making in a year what that man makes in a single hour without lifting his hand or doing anything. He makes $4.4 million in a single week. This is the kind of person who benefits from the tax concessions that are granted by this government and by previous Liberal governments in order to assist him to make $27,800 an hour whether he is awake or asleep, no matter what he does. Nobody in Canada should be making that much without paying their fair share of the tax burden in this country.

We should not be cutting programs like the Canada Assistance Plan that basically benefits the poor, the sick and the people in need of government services until we start taking the fair share of taxes out of the $27,800 an hour that Ken Thomson is making by the sweat of other people's bodies.

I was reading in another magazine article that Canadian corporate executives are paid at least 100 times what production line workers are being paid. That is the spread between income of production line workers and Canadian corporate executives.

In Japan, a corporate executive makes only 16 times what a production line worker makes. Why are our corporate executives paid so much and why are they not paying their fair share of taxes? Instead, this government brings in legislation like this and who does it hit hardest? Abused and neglected children in need of protection, mentally and physically disabled persons, single parent families, seniors, the unemployed and the working poor, battered women, families and individuals in crisis.

What kind of a country are we living in when some people pay virtually no tax at all and are making $4.4 million a week, $27,800 an hour. The government does not touch them at all, except to augment their income with tax concessions, and yet legislation like this attacks the poorest of the poor, the people who need those services the most.

I would urge members, if they have any compassion at all, to read this legislation, understand what its impact is going to be and vote against it. Support this amendment by the New Democratic Party.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, this is the second time in less than a week that I have come over to the House to speak on an issue that strikes at the very heart of what it is to be a Canadian.

Legislation that was put through this place last week at report stage, I believe it was Bill C-20, sought to transfer this government's economic mismanagement on to the backs of the poorest provinces. This bill today seeks to transfer this government's economic mismanagement, not just on to the backs of the poorest provinces, but on to the backs of some of the poorest people in our country.

There is something inherently wrong with a society, a government, a country as wealthy as Canada, perhaps the wealthiest country in the world, when the government has squandered the resources and has been misdirected in where those resources should go. In the middle of the recession we are in—a lot worse than anything we have seen I think since the dirty thirties–in the wealthiest country in the world, we have in every community in Canada line-ups at food banks. We have churches whose resources are stretched to their limits.

My riding of Dartmouth is a wealthy city. It is fairly well off with one of the lowest unemployment rates in Atlantic Canada and a large industrial base. It has a lot of people with two incomes, two cars and a condo. But many times they forget that right in their midst, in the city of Dartmouth, there are individuals who because they cannot find a job or can only get a job that pays $5 an hour, cannot even afford to feed their children. They cannot afford to put decent clothes on the backs of their children. They are living in accommodations that no Canadian would be proud to say was a result of this great nation Canada and our absolute failure to redistribute wealth in this country.

• (1630)

I mentioned the churches in my riding of Dartmouth. I was absolutely stunned, shocked. I talked to Rev. Chang, an individual who has done much to try to reach out and help people in our community who have been shut out of the greatness of our economy, even during good times. He tells me that the number of individuals who have had to cash in their pride and integrity and stand in line waiting for a Christian handout from the churches in my community is growing almost exponentially. The people who have tried their very hardest to contribute, keep their integrity and provide for their offspring, have seen this recession bang the hell out of them.

At the same time that the ranks of the poor are multiplying like rabbits, we saw the spectacle last week of the Canadian chartered banks posting record profits. The vice-president of the Royal Bank sent me a nasty letter today because they do not like what I have been saying about their profits. We see the Royal Bank post a one billion dollar profit in the middle of a recession. We see the Bank of Montreal post the highest profit since it received its charter. We see businesses going out of business hand over fist in this country.

There is something inherently wrong when the government comes and tells us, through this bill, this regressive piece of legislation, that it can no longer afford to pay its fair share, to spread the wealth around to the poorest of the poor. It does not have the resources and everybody has to bite the bullet a little more.

What about the big banks and financial institutions? I do not know that any of the shareholders of the Royal Bank would go out of business if their profits were $750 million instead of $1,000 million, $1 billion. Two hundred and fifty million bucks would go a long way to fill hungry stomachs just before Christmastime right across this country. It is the same for the Bank of Montreal or any of the institutions.

We have become preoccupied in this place with dealing with special interest groups and putting forward legislation to make sure that the tax system is fair for Canada's largest corporations. We make sure that individuals who have a trust do not have to pay tax on income from the trust. Then the government comes forward and says: "Our hands are tied, poor kids. That little grumbling in your belly is going to have to last a little longer because we do not have the bucks to do it". Perhaps the government does not have the wherewithal or stamina to do it.

I talked to a colleague of mine in the Senate today, an individual who held the seat before me, Senator Forrestall. We talked about how wealthy this country is and how unfortunate it is that there are so many Canadians who cannot take advantage of the wealth and the resources that we have. That is the role of government and has been the role defined for government since this country came together. We have enshrined, right in our Constitution, the principle of equalization. That makes sure the wealth we have in this country belongs collectively to all of us. It is the role of government, through the instruments of government, this place and through legislation, to spread that wealth around. We have tried to do that since 1867. We have taken regions like the Atlantic, and at times the prairies, and have helped one another. We have used the tools of government and the uneven distribution of growth and wealth, but nevertheless wealth, to ensure that there is nobody in this country who should have to do without.

The government comes in the middle of a recession, and says: "Well certain provinces are better off than others so we are going to go after British Columbia and we are going to go after Alberta and we are going to go after Ontario and we are going to put a cap on CAP", knowing full well what that means. It means that you have lessened the provincial government's ability to provide minimal service to the poorest of the poor. That is what you are doing here. The province of Ontario is in the middle of a recession. You have seen the manufacturing industry which was the heart of Ontario's economy absolutely devastated because of free trade and because of this government's crazy economic policies. Ontario is where the wealth is created in this country. That is where the tax base is that allows governments to redistribute wealth.

Not only does it drive the Ontario economy into a recession but then a little further on it says to Ontario: "Now that we have driven you into a recession, we are not going to help you as much as we should help you look after the poorest of the poor, the hungry, the homeless, the downtrodden, the elderly and those who need our assistance the most. We are not going to ensure that you are able to provide that level of assistance".

There is something drastically wrong with a government that brings in such a mean-spirited act as this one which caps CAP.

A lot of people think that the poor have no voices and in many cases they do not. They are faceless in too many of our communities. I have three children. I have a little girl Danielle who is seven and Matthew who is five and I have a six-month old baby at home. When I think of the concept of an individual having to worry in this society today about whether or not their children are going to have a warm meal in their belly, it makes me sick.

Everybody likes to talk about the welfare bums and the poor. I will tell anybody in this House or anybody out there on the far right wing of society that if they think that individuals in society choose to be poor, then they are crazy. It is demeaning, it destroys integrity, it destroys your ability to dream. Consider a child who is brought up in poverty. The biggest crime that we perpetrate on that child as a society is that we destroy their ability to dream. When you do that you desensitize them and you ensure that their chances of becoming a full participant in society are pretty damn minimal.

The New Democratic Party opposite has come in with a motion that basically says—and that is what we are debating here today—that the cap on CAP legislation or the enabling legislation would basically die because it is a one clause bill and they want to delete it with an amendment. I agree with them that the clause should be

deleted. But I also agree with those tens or hundreds of thousands of Canadians who say that we have to re-establish what our priorities are. Our priorities are to feed our own, to redistribute wealth and to give the poor back the dignity that they so richly deserve but which is withheld from them so often.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise to speak in favour of the motion that we have put forth with respect to capping the CAP. It is with a lot of regret and some emotion that I rise to speak to this bill because this is a bill that is indicative of what we are doing in this country to the poor and to those who are living below the poverty line and those who are struggling to keep above the poverty line.

We have in this country a major problem with the redistribution of wealth. Speaker after speaker in this party has been rising condemning that action and calling for some logic and some direction with respect to those Canadians who are deeply in need of an opportunity to get themselves out of the financial situation they are in.

The government has not been doing the job. There have been over the years a number of non-governmental organizations or NGOs that have been established. These groups are struggling as well. Although this particular motion and this particular bill only affects the three provinces Ontario, Alberta and British Columbia there are ripples right through the entire system. This is not the only bill that this government is putting forward. It is not the only action it has done. NGOs across this country are suffering and these are the ones who more and more are striving to fill the gap that is being left by governments.

• (1640)

In my own riding one of the most active groups is Transition House. Transition House is in Moose Jaw which is a small town compared to some of the cities in this country. It has a population of about 35,000. Transition House has one home. It is overcrowded. It is in need of expansion. They have no money for that. They used to be paid quarterly. They are now being paid monthly, making it very difficult for them to operate and to budget. Their funding has gone up far less than inflation has. In some years it has not gone up at all.

They are struggling. For example they were told by the former provincial government that they could manage on one eight-hour shift. Transition House is open 24 hours a day. It has to be open 24 hours a day because no one knows when tragedy is going to occur or when a situation arises where a mother, a wife, is going to need Transition House. They cannot have a sign on the door advising people to have their problems occur between 8 a.m. and 5 p.m.

What they have been doing is keeping Transition House open 24 hours a day on an eight-hour salary. The only reason Transition House is open is because of the commitment these people have made toward their fellow Canadians.

They would also like to have a child counsellor position because there are many children going through Transition House. These children are in need of counselling. Children suffer the most during such incidents and such tragedy. They are impressionable and their experiences at this tender age have an effect on them for the rest of their lives.

In the city of Regina they have managed to bring in a child counsellor position but not in Moose Jaw. Regina is suffering very much as well, but they have no money for that. This government has gone so far with respect to the GST that they are actually having to absorb some of the GST costs, which is devastating.

If it was not for the commitment of these people and the dedication of its director, Marilyn McCrea, and others then that facility would be unavailable to people. We also have Moose Jaw Family Life which is a counselling group. There is also Moose Jaw Christian Counselling.

We just had a lobby group that came to Ottawa recently to talk about its problems in the area of mental health and the need for governments to pay more attention to those areas. I just mentioned two facilities in Moose Jaw that are doing what they can to help counsel those Canadians who in many ways have many problems that stem from economic incidents or are made worse because of the economic situation. Many situations either go untreated or are accentuated because of the poverty that exists in many of these homes. It is not because people are lazy or not because people do not want to try. It is because they are being denied an opportunity.

We have in this country a situation where more and more it is a country of the haves and the have nots. It is very fine for us as MPs with our generous salaries and some other Canadians to live in comfort and go home to a nice home and a good meal knowing there is a pay cheque coming in. There are other people who know they have no opportunity for that.

These counselling facilities are desperately needed and they are struggling just as Transition House is struggling to survive and to provide a service. There are committed people that are determined to make sure those facilities survive. And yet they are getting less and less help and less and less guidance and less and less support from this government.

We have another facility called Thunder Creek Home Care which provides facilities for elderly people who are trying to stay in their own homes. Many of them are on fixed incomes. Certainly in my riding most of them are on fixed incomes. Their incomes have not been rising with inflation. They have increasing costs and Thunder Creek Home Care has been attempting to help those people. They are suffering as well.

In the rural area of the Moose Jaw riding there is a tremendous need and much of it is directly related to the economic situation in this country. There are farm families in rural communities that are literally dying. There are all kinds of family problems and all sorts of situations that can be directly related to the economic problems that exist in this country. Those people need help from this government. The Canada Assistance Plan instead of being cut should be increased to help these people through their situation and to get on their feet but it is not happening.

Along with the poverty of course is another institution, which is food banks. Today I was reading in *The Globe and Mail* that 284,000 children are using food banks in this country. That may come as a surprise to the minister for external trade who says that there are no people in this country who are suffering from poverty. In fact in a speech he recently gave in the U.S. he said that we are spending our money on things like culture and the arts and so on and that no Canadian goes hungry. That was an unfortunate statement to have been made but it was made and it is comments like that that really put a lie to the facade that this government has been putting up with respect to aid to Canadians.

There are 284,000 children requiring food banks in this country. That is something that is hard to believe. The fact is that many of these people live below the poverty line and we talk about cutting back on the Canada Assistance Plan. But at the same time why is it in this country that people living below the poverty line are forced to pay income tax? Does that make any sense? Why is the government not amending the Income Tax Act to say that people who live below the poverty line will pay no income tax? That would help. But that does not happen. We do not see tax reform on the basis of helping Canadians who are suffering economically to get back on their feet.

We have a government whose income tax programs are helping wealthy Canadians and it is doing very little to help redistribute wealth in this country. This bill that is in front of the House is a tragedy and a mistake and it is something that we as a Parliament should be ashamed to even have in front of this House.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, ever since I came into this House and even before that I have listened to some of the parliamentary debates. I keep hearing references, particularly from the government side, that this is the wealthiest nation in the world.

I guess if you were a member opposite circulating among the elite of society as you are wont to do, you probably would be saying that this is the wealthiest nation in the world. It would not really matter if it was not because you would be living well enough that if it was not the wealthiest one in the world, you would not be able to tell the difference anyway. There would be enough to buy the caviar, enough to buy the best wines, enough to take the best vacations, enough to hob-nob with the best people, enough money to have a private box in the SkyDome and enough money to be able to buy the prime shares on whatever stock exchange you felt like investing in: Toronto, Tokyo, Paris or London. I suspect you would invest in any and all of them because you would be putting your money where it did you the most good.

I suppose there are some people in this House of Commons who would say that we live in the wealthiest country in the world. I cannot say that. From my experience I know that we are not the wealthiest country in the world.

An hon. member: Wealthy is relative.

Mr. Fisher: Yes, wealthy is relative. If you are talking about the number of people who are going to the food banks—which I think is a pretty good measure—then by that measure alone it is impossible to say we live in one of the wealthiest countries in the world.

• (1650)

There are innumerable countries in the world where children are not living in the abject poverty that they are in this country.

It certainly is obvious since I came into this Parliament that the prime reason why Canadians are becoming poorer and poorer all the time, and there are some pretty good statistics to show that and I will get into that presently, are the policies of this government. Certainly we in this party and for the most part, the opposition, have been arguing against such things as free trade.

We have been arguing against those policies of the Conservatives, this Conservative ideology, this monitorous scheme that was so much of the philosophy of Ronald Reagan. These are the successors of Ronald Reagan and his contemporaries while he was in here. Fortunately that anomaly, that out to lunch president, has departed the scene.

When they brought in the changes to the unemployment insurance, we told them over and over and over again that if you require people to work longer in order to qualify for unemployment insurance and then pay them less once they do become unemployed, having become unemployed as we also told them to a good measure because of the free trade agreement, not only were the citizens of the country going to be suffering from it but also the provinces, which is obvious, and municipalities, also becoming more obvious every day. That was going to be the logical outcome of what these people were up to.

I guess the Prime Minister was telling the truth when he said: "Give us 20 years and you will not recognize this country". It has not taken them 20 years. It has taken them not a mere eight years yet. They have accomplished I am sure what is far beyond the dreams of Milton Friedman, far beyond the dreams of the monitors, far beyond the political philosophy of this Conservative government to enhance the pocketbooks of the rich in this country at the expense of the rest of the people.

I would suggest that the upper 20 per cent of this country are enormously well off. The upper 10 per cent are living in a wealthy situation that is impossible for the other 90 per cent of Canadians to even imagine.

In that instance, the Prime Minister was telling the truth. I must say that this country is unrecognizable. I must choose my words a little more judiciously. Since this government was elected in 1984, inflation has gone up by 29 per cent. Corporate taxes have gone up by 17 per cent albeit from 1986 to 1989 they actually declined in relation to the figure I am about to give you.

Corporate taxes since 1984 have gone up by 17 per cent. This is far less than inflation. I am not going to keep anyone in suspense because the individual taxes have gone up by 103 per cent. Is it any wonder that Canadians are becoming more and more impoverished every day? It is no mystery to me or to the people I talk to on the doorsteps of my constituency why they are so much worse off.

One of the main themes which I hear constantly on the doorstep of Saskatoon—Dundurn is: "Ron, we have never been worse off. We have never been worse off". The figures show this.

In the 1960s, disposable income grew by 34 per cent. In the 1970s, disposable income grew by 22 per cent. This was still not too bad. Any of us who lived through the 1960s and the 1970s would realize that we did not do too badly. Things did improve. We were able to get a new car every three years or whatever it was. We were able to supply, without too much effort, the food, shelter and the education of our children.

In the 1980s disposable income grew by .5 per cent, one forty-fourth per cent of what it was in the seventies.

There is no mystery to the people I have talked to on the door steps. It is no mystery to me why some young people who started work in 1980 have not been able to make any progress at all in so far as being able to better themselves within our society.

Whatever happened to the concept of upward mobility? With figures like that, this who concept, this whole basis on which our society is economically established, upward mobility has come to a grinding halt. The predictions for 1992 and beyond are not that disposable income will grow, but that disposable income will decline.

We come to a bill like Bill C-32, a cap on CAP. The government says: "We have to do this. We have to cut back on these transfers to the provinces". It has got nothing to do with the debt. What it has to do with is the mean spirit of this government which takes a look at this block of people, mostly children, the elderly, the handicapped, single parent mothers, women who absolutely need the kind of help that this gives insofar as transition houses are concerned, houses for battered women. The government looks at this block of people in our society and says: "Those lazy, no good bums. People on welfare are lazy. If they are not going to work, we have to do something to try to force them to work".

It is completely beyond my comprehension how the government can give so many tax breaks. Someone else has pointed out that tax breaks to corporations account for 44 per cent of the federal debt. Fifty per cent of the federal debt is accountable for the high interest rates we have had to pay on the money that we had to borrow because getting it from the corporations was forgone.

The only reason these people are making these kinds of changes to the legislation, the only reason that they are holding this back, is because they believe that if they do this they will be able to somehow or another save the national debt. It escapes me how they can give the gigantic tax breaks to corporations and say that is an incentive. If they want to give an incentive to people who are poor, why can we not treat them the same as we do the corporations?

What is wrong with putting a decent amount of money into the pockets of the people who are receiving social assistance? It seems to me that an incentive for one ought to be an incentive for the other and this government in its mean spirit says: "No way".

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I am not necessarily happy to be taking part in this debate. It is not the kind of debate that Parliament should be having, given the circumstances the country is in.

I want to start by saying that the test of how civilized any society is is how well it treats its old, its sick, its poor and its children; how well it protects and preserves its environment, its wilderness and wildlife; how well it treats our aboriginal peoples; how well we help those unfortunate human beings in the poor countries of the world.

Governments and societies that do not learn from history are condemned to repeat it and we are doing that now. The situation Canada is in now is equivalent to, and in some cases worse than, conditions we had in the dirty thirties. From 1930 to 1935 Tory governments under R. B. Bennett reigned.

I remember as a child of 10 hearing the grown-ups say: "Tory times are tough times". From 1935 to 1940 under the Liberals of Mackenzie King the tough times continued and in some respects got worse.

• (1700)

Both governments pleaded: "Where are you going to get the money?" The government is talking the same way now. It has not learned anything from recent history.

By 1940 every municipality, school board, provincial and federal government in this country were in debt and some were broke. My own province of Saskatchewan was bankrupt. You could not give its bonds away. There was no credit rating and the people were in the depths of despair and poverty.

"Where will we get the money", the government asks. There are several ways it can get the money. It can pick up another $1 billion or $2 billion by closing dozens of tax loopholes that still exist and benefit corporations and the wealthy. It could get the money by enforcing and going after the collection of what is politely called a tax gap, the collection of over $10 billion worth of unpaid taxes in this country. It was $10 billion in 1987. You can bet that it is a lot higher than that in 1991. In 1987 are the last figures that *The Financial Post*, and not some socialist periodical, came up with out of a report of Revenue Canada itself.

It talked about the tax evaders and the tax avoiders, the tax delinquents, all of those who can afford chartered accountants and lawyers to take advantage in every possible way of the tax law. Even when the tax avoider or tax evader loses to a successful challenge by Revenue Canada, there are a few types of taxpayers likely to change from non-compliers to compliers, to quote *The Financial Post*.

There is much to be done in this country and we have no excuse for not doing it. I have mentioned two areas in which billions are there to be obtained over the next year or so. I cannot say that I am speaking on behalf of my party in this instance. I am one of those who has been a close follower of John Maynard Keynes. In tough times you borrow and you spend and in good times you tax and repay.

If I had my way, over the next two years we would run the deficit up by another $2 billion, $3 billion or $4 billion, whatever is required. There would be short-term funding for food banks. My God, when I was a youngster in the dirty thirties they were called soup kitchens. It is refined now to food banks.

The fact is that it is a blot on our country and a disgrace for any government in any society to keep on putting up with that. The only way to get rid of deficits and debts is following policies of full employment. Why not establish a municipal fund from which municipalities can borrow? If the government can get the money at 7 per cent, then let the municipalities have it at 5 per cent and subsidize the interest rates or let them have it at 4 per cent, or in the first year pay all the interest charges.

The federal government is the one that has the complete control and authority on monetary and fiscal policy of this country, not any one province, not any municipality or school board and my hon. friend opposite cannot run away from it.

This country has scores of municipalities whose infrastructures need rebuilding and enlarging.

My God, we are still running raw sewage from Montreal into the St. Lawrence River. When are we going to see to it and do our part in helping to correct that?

Scores of municipalities across Canada have to fix and rebuild and modernize sewer and water systems, streets and sidewalks, power lines. That means jobs. It puts hundreds of thousands of people to work and they pay taxes. There is not a city or a large town in this country that does not have a list as long as your arm of people waiting for a house, waiting for a chronic care bed. Why are we not investing? A gain in construction means more and more jobs in low income and co-operative housing, federally, provincially and municipally.

We could put, over the next several years, a quarter of million people to work just cleaning up our air and our water. This will take some courage. It will take flying in the face of conventional wisdom and the typical Tory and Liberal line: "Where are you going to get the money?"

When we had a declaration of war all of a sudden there was a lot of money, lots and lots of money. I submit that we should now have a declaration of peace and make the same kinds of effort in fighting a war on poverty, illness, poor housing and our environment, to a greater extent than we ever did during the Second World War.

It is going to take that kind of effort, with the whole nation behind it. It has to be led by a federal government and it has to be led by this Parliament. The more we sit and wring our hands, the more we sit and rely on old ideological, worn out, wasted excuses and reasons. Where are we going to get the money? The money is there. What we need to do is challenge Canadians to roll up their sleeves and do all these things that need to be done. A policy of full employment will do more to wipe out deficits and substantially reduce if not eliminate the national debt.

That is what is required. We did it following the Second World War. If we translate our debt in 1945 into 1991 dollars, our debt then was as great or greater than it is now. It took us 10 or 12 years to pay it off. We financed the entire Second World War without a nickel of foreign investment, without a nickel.

We continue to sell out our economy for the sake of attracting foreign investors so that they can come in, make a profit and take the money out. They usually borrow the money from us. They financed the takeover of our economy and our country with our own money.

There are all those things to be done by this Parliament.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, actually it is not a pleasure to speak on this particular piece of legislation, but certainly we have to speak out against this and hope to bring the government to its senses on what it is doing to medicare.

I have just returned from Kamloops after having spent the last three days visiting people in their homes and talking to people in the shopping malls and going door to door throughout the small business community. When I

asked people if they are aware that the Mulroney government is in the process of eliminating medicare in Canada, they said: "No".

I reminded them of Bill C-69. They do remember that because it put a cap on the contribution the federal government provided for medical care and hospital care across Canada. They said they remembered that and they remembered people saying that this was the beginning of the end of medicare in Canada. I reminded them of this Bill C-32 which extends that process.

• (1710)

It is interesting to look at the pages and pages of testimony before the committee. I have the testimony of a number of expert witnesses in the health care field, the professional people who operate our health care system and people who have professionally studied the health care system of Canada. Virtually every one of these people who appeared before the committee pleaded, begged and said to stop this bill because it was the end of medicare in Canada, one of the hallmarks of Canadian citizenship.

We all know that each year there are hundreds of thousands of people, nay millions of people who would love to come to Canada, become landed immigrants and eventually citizens of this great country. They know there are a number of benefits that accrue to Canadian citizenship and one of them is medicare. It does not matter where you live in this country, whether it is in Newfoundland, the territories, British Columbia or the prairies. You have universal health care. Today we find that the United States of America is holding up the old Canadian model and saying: "This is the model that we want to have in the United States".

This government, these cabinet ministers and these back-bench Tories are in the process of dismantling the medicare system that is the hallmark of Canadian citizenship. We say that is wrong.

The people of Canada recognize what the government is doing to the country and our health care system. The people of Canada, through our efforts as members of the opposition, will find out that every single one of these experts in health care has said this legislation is the death-knell of medicare in Canada. The Conservatives should be chastised for initiating this legislation. They should be tossed out of office. Canadians will put the New Democrats into office and we will once again put medicare back on the sound, financial footing that it should be on so that no matter where you are in Canada you will have access to this great system.

I cannot believe that my friends across the way are doing this. What do they have against sick people?

Mr. McDermid: We are not and you know it.

Mr. Riis: What do they have against people who are ailing?

An hon. member: They are not your friends.

Mr. McDermid: What nonsense. What poppycock.

Mr. Riis: There is my friend, the minister who says all these experts are wrong; oh, yes, he is right or his colleagues are right, but all the experts are wrong. I say I will throw my lot in with people who professionally know what health care is all about. I will say to my hon. friend—

Mr. McDermid: Where are you going to get the money?

Mr. Riis: He yells out where am I going to get the money. I will tell the minister where we are going to get the money. There are 69,000 profitable corporations in this country that do not pay any income tax at all. That is where some of the money should be coming from.

In any other country of the world when you inherit vast amounts of money and invest vast amounts of money you have to pay some taxes, but not in Canada. If you are a wealthy family and you are receiving millions and millions of dollars bequeathed upon you by your family, do you have to pay income tax in Canada? No. That is because those wealthy families have their friends across the way. They are called Conservative cabinet ministers who give privileges to the wealthy in this country and they pay for it by dismantling medicare.

Mr. McDermid: What nonsense.

Mr. Riis: We say it is absolutely wrong. It is unCanadian. Why should we be surprised by an unCanadian act by this government. Show me an area, whether it is in broadcasting, the economy or social policy, where this government has done a single thing to benefit the people of Canada other than a handful of wealthy people. We cannot find it. We can look under every report and

initiative that has come out of this cabinet and we will not find it.

People around the world are perplexed because they know in their own countries they do not have this type of service. You think of what is going on, for example, in what used to be Yugoslavia today. The Croatian people are suffering by the tens and hundreds of thousands at the hands of a Serbian led army. People are defending themselves, their homes, their properties and their families with hunting rifles against tanks, artillery, air force and navy bombardment. The Serbian led Yugoslavian army, as we speak, is destroying historic monuments designated by the United Nations as historic treasures of the earth. They include old hospitals, churches, historic towns, cities and areas being bombarded presumably to break the Croatian people psychologically. They look at us and wonder why on earth we would be dismantling something as wonderful as medicare when they are struggling simply to maintain their own homeland against these barbaric forces.

When you think about it, 500,000 Croatian refugees are trying to leave the country wherever possible or seek refuge with family, friends or neighbours. An incredible hardship is being placed upon innocent people in that part of the world, and yet our government refuses to recognize the country of Croatia.

A number of Conservative backbenchers have asked the Prime Minister, as have others, to recognize Croatia but the government has not done it. Has it asked the UN Security Council to send in peacekeepers? No, it has not.

When I listen to the backbenchers of the Conservatives calling upon their government to take action, and they are being ignored, why would I be surprised at the government ignoring all of the experts when it comes to health care? When it does not even listen to its own backbenchers on something as life and death as the situation in Croatia, why would it listen to any of the people who understand health care recommending against the passage of this particular bill?

It is simply part of the old process. It is the father knows best approach to government. The Prime Minister says: "I am big brother. I know what is best for you Canadians. I know you do not agree, you do not support us, you do not support me, but I know what is best".

That is what a dictator says. That is what a leader of a totalitarian government says. At this sad time this is what our Prime Minister says. He knows best, the people of Canada do not know what is best, the experts do not know what is best, but our Prime Minister does.

It is a sad day when we think that. For years and years we have developed one of the world's finest health care systems. This government, starting a few years ago with Bill C-69, decided to end medicare in Canada. It decided to have maybe some health care for profit in some parts of Canada. Some of the wealthier provinces will be able to sustain the absolute destruction of medicare, but the poorer parts of Canada will not be able to maintain the level of health care.

In terms of national standards they will be gone because the federal government has given up its leverage when it fails to participate at reasonable levels in the funding of health care. It is a very sad day. It is a sad day for Canada, a sad day for Canadians, and a sad day particularly for all of those men and women who dedicated their lives to establish a decent health care system in this country. Regardless of whether you were wealthy or poor, an eastern or western Canadian, no matter who you were, you had access to universal health care. In the future that will not be the case and it will be the Prime Minister of Canada and his government that will have used the wrecking ball on what we have known as medicare in Canada.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, we know where the headaches are. They are right over there on the other side of the Chamber, right across from the opposition.

The government has brought in a bill to extend the cap on CAP for another three years. When the cap on CAP was first brought in, the godfather of the first cap on CAP was none other than the former Deputy Prime Minister, Erik Nielsen, old velcro lips. He was appointed chief honcho to take a look at all the government programs and see where he could cut fat and save money for the taxpayers.

• (1720)

He looked at the Canada Assistance Plan. He said: "It is a very good plan, a very good plan. It does a lot of good things". He then said: "You cannot have these open-ended agreements". The godfather of the cap on CAP is old velcro lips Erik Nielsen himself. When it comes to poor people, when it is time to transfer money to the less

fortunate people, he is a tightwad, a scrooge. He is not the scrooge when it comes to his own spending.

An hon. member: Tell us about it.

Mr. Rodriguez: The members says: "Tell us about it". Here is this guy who wants to spend like Santa and save like Scrooge. He spends like Santa on himself. This same Erik Nielsen recently put himself up in a Vancouver hotel for two nights at a cost of $1,000. He took a motor trip from Ottawa to Whitehorse, Yukon for $5,865. He took a slow car from Ottawa to Whitehorse, Yukon.

Mr. Heap: Did he buy the car?

Mr. Rodriguez: That is a good question. Actually you could buy a new car with that money. He could buy one of the airlines in this country right now for that kind of money. Between November 1 and November 3 he was in Edmonton where he stayed at the Fantasyland Hotel for two nights at a cost of $403.20.

Mr. Heap: He has been in Fantasyland for years.

Mr. Rodriguez: The entire trip from November 1 to November 3 cost taxpayers $1,888. Then he was off to Vancouver again from November 10 to November 12. The air fare was $1,805 and the hotel accommodation for two nights was $973.44. That is over $2,700 for a two-day visit.

This is the godfather of the cap on CAP. This is the person who sat and examined government accounts. It was this gentleman, Erik Nielsen, who said: "We have to tighten the belt and trim the fat".

We must remember he was in Fantasyland. This person is spending taxpayers' money. Why did he not think of cutting his own fat and saving taxpayers some money? I see government members on the other side. It is all right to applaud after the horse has left the barn, after the money has been spent.

It took an exhaustive search and fight through the freedom of information office to get information on this kind of spending. It seems it is an old adage: if you look after the pennies, the dollars will take care of themselves. Members on the other side represent only one interest: the fat cat interest. They are not interested in the people who are suffering as a result of some of the things they have done.

That is part of the Tory culture. They have never been sensitive to the needs of people who work hard for a living. They have only been interested in and only benefited those who invest. They said: "Oh, no, you are not being fair". Government members say to me: "You are not being fair". Let me try to be fair for the record.

I am looking at *The Financial Post* and at an article that appeared on August 29, 1990. It says: "Big corporations leading tax evaders". We are talking about tax evasion here, not tax avoidance. There is a big difference.

Here is what the article says: "Revenue Canada estimates that the so-called tax gap, the amount owed but not paid by Canadians, hit $10 billion in 1987, the last year for which an estimate was available". That is almost four times the 1977 level.

We are talking about tax not collected. When a widow in my riding owes a few hundred dollars to Revenue Canada, we can see how tough it is on her. It sends out the knee breakers, the letters. It threatens. It is tough. It is tough in collecting.

Then the member of Parliament gets involved and says to the Revenue Canada people: "How come you are so tough on poor people? Inco owes you all kinds of taxes. Why do you not get as tough with them? Why do you not go over there and tell them that you are going to break their knees, that you are going to send some boys over?" Why does the government not do that? Why does it not put a lien on the mine or garnishee its receipts?

It will not do that. It will not do that at all. I want to suggest very seriously that it deliberately complicates the tax laws of this country so that its corporate friends avoid paying the tax.

They should read the tax act. They all get up and piously say: "We have to simplify the language of the tax act". There is piety over on the other side about the simplicity of the tax laws. The government has been in office now for seven years and we have not seen any simplification of the tax laws of this country. The

government has made them more complex, more complicated. Corporate tax law is extremely complicated.

What does a corporation do? It simply goes out, hires fancy tax consultants, tax lawyers and tax accountants and it avoids paying the taxes. Even when it gets nailed, it does not pay it. It appeals it and it goes through a whole procedural rigmarole and it never, for years, pays any taxes. It does not for years.

I suppose some of them are skiddled off to the sunshine states where they can set up shop and avoid paying. The tax structure has been so jiggered that now the government collects about 45 per cent of its revenues from ordinary taxpayers. From its corporate friends, it collects about 9 per cent of the total revenues.

This is a new switch. This is a new concept of a medieval view of Robin Hood. Robin Hood used to take from the wealthy to give to the poor.

The Acting Speaker (Mr. DeBlois): Order, please.

Mr. Karpoff: Mr. Speaker, I rise on a point of order. For the last couple of hours we have not had the pleasure of hearing any of the Liberals respond to this bill. We are wondering whether the Speaker is no longer able to see any Liberals or whether the Liberals are no longer fighting to protect the Canada Assistance Plan.

The Acting Speaker (Mr. DeBlois): I remind the hon. member that was not a point of order.

• (1730)

Mr. Flis: Mr. Speaker, had the hon. member been here he would have heard the number of Liberal speakers who spoke all morning and all day, but because he was absent he did not hear them.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is wonderful to be complimented by someone who gives bald men a bad name in the House of Commons.

The amendment before the House of Commons today is an amendment which deals with Bill C-32. Bill C-32 is the bill that will extend the cap on the Canada Assistance Plan up until 1995. It is an extension of Bill C-69 which became known in infamy throughout Canada over the last year when people realized that through this bill there was an attack, as my friend from Kamloops has said, on the medical care system and the health system in Canada and on the post-secondary system. We spoke to that part of the extension last week.

Bill C-32 deals directly with the Canada Assistance Plan which deals with the transfer payments of the federal government through to the provinces for matters of social assistance and all those matters interprovincially and within the provinces that deal with, for the most part, those who are less able to care for themselves through usually no fault of their own.

The amendment from my friend and colleague from Essex—Windsor is an amendment that would simply delete that extension. By taking away clause 1 of Bill C-32 it effectively does away with the bill and we go back to the system as it was set up and as it should be.

I speak in favour of that but in opposition to the idea behind Bill C-32.

In the Montreal *Gazette* on December 7, 1991 a letter from Southam News' Eric Beauchesne points out in a headline: "Abandoning the job hunt". In that article he says:

> Thousands of unemployed, frustrated by a lack of job opportunities, quit looking for work last month and that's all that kept unemployment from rising above an already dismal 10.3 per cent, analysts said yesterday.
>
> Employment fell by 49,000 in November but the unemployment rate remained at October's level because 45,000 workers also dropped out of the labour force, Statistics Canada said.

Statistics Canada further reported the week of December 7 that job prospects are their bleakest in seven years.

What does the unemployment rate and those that dropped out of the job market have to do with the Canada Assistance Plan? Where do these people go? They can no longer get unemployment insurance because this government changed the rules. It made it harder for people to get unemployment insurance and for those who can get on the unemployment insurance rolls. It shortened the period they can continue getting benefits.

In today's job market, as has been shown in this article and many others, it is clear that these people want jobs. They want to work. They need money to keep food on the table for their families. The average family has over

two children each. It is these children who unfortunately suffer as a result of the poverty of their parents.

When they can no longer get unemployment insurance, they run through any savings that they have been fortunate enough to carry over the years. Where do they turn?

They turn to social assistance. The welfare programs are carried on by provinces or in some provinces by the larger cities themselves. They have to turn to these people.

Those 45,000 who dropped out of the market are some of those same people who are now looking at alternative methods of financing themselves, often and probably through social assistance. The money that comes from that social assistance has to be gained somewhere. By robbing Peter to pay Paul, the federal government is shirking responsibility to those people who have been hurt by the fiscal and monetary policies that this government has been following since 1984.

In the evidence given before the finance committee looking into Bill C-32, Lise Corbeil of the National Anti Poverty Organization, stated: "Bill C-32 will have an incredible negative impact on poor people. They are asked to tighten their belts in the name of deficit reduction, to trim the fat from their expenses while the National Council on Welfare study proved that there is absolutely no fat to trim when you live on welfare. To the federal government, CAP is one among many budget items on an expense sheet. It is just a line. To people living on social assistance, CAP is a lifeline. Welfare is their means of livelihood. It is not an intellectual exercise to try to balance a budget".

That brings out very graphically what the problem is with this government capping the Canada Assistance Plan.

As the unemployment roles increase and more people go on welfare and social assistance and as more people transfer into provinces such as Ontario, British Columbia and Alberta, the three provinces hurt by the cap on the Canada Assistance Plan, the provinces are forced into either cutting back services or increasing taxes within those provinces that most need the assistance of the federal government because of that immigration from other areas of the country and other areas of the world. Those people come into these most desirable areas such as Ontario, Alberta and British Columbia and it is these three provinces that have had their assistance capped by the Canadian government.

Who is hurt by this policy? The poor, the poverty stricken, those who have nowhere to go, those who depend on this as a lifeline. It is a lifeline of the children who are hurt through the lack of assistance from this government.

It is interesting to note that one child in six in Canada is classified as poor. More than 1 million children under the age of 18 live in poverty. It is an interesting and sad commentary on today's life in Canada that almost half of the Canadians who rely on food banks are children, an estimated 225,000 children.

An hon. member: Shameful.

Mr. Whittaker: It is shameful. It is unfortunate. It is something this government must take into consideration. It must look at its policies. Many poor children live in families struggling on 50 to 60 per cent of poverty line income.

At a time such as this, leading into Christmas, it has become more and more apparent: the long line-ups at food banks; the number of people living in poverty; those who will not be able to sit down to turkey and stuffing or have gifts under the tree; those who will not be able to enjoy Christmas as Christmas should be enjoyed, by children and by all of us. It is hard to remember the joy of the season when you do not have food on the plate to feed your children and as a child your stomach is empty.

• (1740)

We have to do something about this bill and I suggest to this House that the way to do it is by supporting the amendment. I would ask this House to consider that amendment strongly and pass it.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, it is ironic that the very parliamentary day following December 6, the National Day of Remembrance and Action on Violence Against Women, that we should be standing in this House debating a bill that extends the cap on the Canada Assistance Plan.

On Friday members of the government were standing in this place decrying violence against women and saying that we must end the situation that creates violence against women. They were saying that we in this House

of Commons must take effective action to end violence against women. They were saying that we must provide the services that battered women so desperately need in this country to escape from violent situations.

It is ironic and it is sad. It is sad because this Bill C-32 will have a chilling effect on the building of shelters for battered women. The Canada Assistance Plan is the only funding mechanism in place right now for providing shelters for battered women. Now the government is extending this limit on funding until 1995. It is such hypocrisy. All the people in the House heard it say on Friday: "We must take action to end violence". Yet it is cutting from the very services that these women so desperately need to get out of violence and to break the cycle of violence.

It is beyond me. It is beyond me how this government can brag over and over again as it did again on Friday about its family violence initiative fund and then cut and then continue to cut from the services that women need.

It cut the social programs. It cut shelters for battered women with this bill. It is cutting child care spaces as well with this bill and we all know what a desperate need there is for child care in this country.

CAP is the only funding mechanism in place for child care spaces. The government knows how badly they are needed. The situation in Canada for child care is desperate. In fact today when a woman becomes pregnant in Canada, probably the first thing she does after getting that confirmation from her doctor, if she is a woman who works outside the home, is go and put her name on a list at a child care centre. She is hoping that by the time her child is two years old she may have child care. But they still wait years and years and years to find suitable child care in this country.

This government has refused to honour the promises it made in 1984, the promises it made in 1988 and the promises that it has made in throne speeches over and over again to provide Canadians with a national child care program. Now it is extending the funding cuts again from the only vehicle in this country that funds child care spaces.

It does this with the rationale of saying: "We are only capping the funds to five per cent". It calls it capping. In reality we know with the rate of inflation and everything else it is an actual cut in services. It says it is doing this in the name of fiscal restraint and it says it is only doing it to the rich provinces that can afford to take this capping. This government also knows that over 50 per cent of the poor in this country live in these three provinces of British Columbia, Alberta and Ontario.

In my province of British Columbia we have a food bank in Vancouver that is there simply and only for women and children. What has it come to in this country when volunteer organizations and church organizations are organizing food banks for women and children? The fact is that 50 per cent of the poor live in those three provinces. They are just as poor as the poor in other parts of Canada.

Those women who are beaten in those provinces are just as black and blue, just as degraded as the women in any other part of Canada.

This bill is just another example of how this government has decided to place the burden of paying off the debt on the shoulders of those who can least afford it, those who are not responsible for the debt.

Statistics Canada has shown that the spending on social programs is only responsible for 6 per cent of the national debt. In reality it is the tax breaks to wealthy people and to corporations that are responsible for 44 per cent of the debt.

The government has not targeted the cause of the debt to resolve it. Corporate taxes from 1986 to 1989 declined by approximately 20 per cent even though those profits increased by 34 per cent during the same time.

In fact the Statistics Canada figures in April show that taxes increased the most from 1988 to 1989 for those on the second lowest rung of the income ladder, with an increase of 1.1 per cent. But those in the highest income levels saw taxes rise by .9 per cent and those in the second highest by only .3 per cent.

Is this what the government means by tax fairness? Is this its idea of what it calls tax reform? It seems more like tax deform than tax reform.

These figures only confirm that those who should be paying for the deficit are not. Tax loopholes for the wealthy and for big corporations amount to more than $6 billion a year. For $6 billion we could have a heck of a

good child care program in this country, one that meets the needs of all of Canada's children.

The Tories have not made a single move to get rid of the loopholes that were caused by the previous Liberal government. It had its commissions when it was in government and ignored the recommendations it received for tax fairness, just like this government does.

The largest group of people affected by this bill, of course, are children; the children and the poor of this country. Contrast the government's action with its commitment to eliminate child poverty by the year 2000. I want to ask the government how removing money from social assistance will help children to escape from poverty. It is ironic that Canada plans to ratify the UN Convention on the Rights of the Child, since Bill C-32 will have a devastating effect on the health and the well-being of the children in this country who rely on social assistance, over a million children in Canada.

We are one of the wealthiest nations in the world and we still have a million children living in poverty. We are second only to the U.S. in the level of child poverty in the industrialized world.

These children, these battered women and the poor of this country are the ones who are being asked to pay the price for the tax loopholes that are offered to the wealthy and to the big corporations. I want to ask, is that just? Is that fair? Is that tax reform? I do not think so.

As if Bill C-32 is not causing enough damage, when you put it together with all the other regressive actions of this government the future for Canada looks very bleak indeed. Bill C-21 will make UI harder to get. The de-indexation of family allowance benefits means that families get less and less and children get less and less each year. There is the clawback on family allowances and old age pensions.

Further cuts to social assistance, cuts to health and post-secondary education, Bill C-69 and Bill C-20 are threatening the future of medicare and accessible post-secondary education for all of Canada's people.

There is still no sign of a child care policy. Promise, promise, promise, nothing but broken promises from this government. This is just another Tory attack on social programs which the government claims it is doing in the name of financial restraint. But it is clear this is a move about politics. This is politics, not money, not fiscal restraint, and these politics amount to more breaks for the friends of the government and a life of poverty and hunger for millions of Canadians who are burdened under the weight of high taxes and a tattered and weakened social safety net beneath them.

This really is a government of grinches at this time of the year.

• (1750)

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): The present economic situation is disastrous, Mr. Speaker, and it is definitely a bad time to be capping the Canada Assistance Plan.

The poverty rate in the greater Montreal area is at an all-time high. More that 15 per cent of the people living on the island of Montreal is made up of poor families, that is to say 200,000 more than in the four Atlantic provinces combined. At least 60 per cent of welfare recipients in Montreal have been on the welfare rolls for two years. The unemployment rate in the Montreal area—the statistics were released on Friday—is still 12 per cent. What can be done to get out of this slump? During these difficult economic times, the government wants to cap the Canada Assistance Plan.

According to Statistics Canada, 45,000 workers have been dropped from the list of people looking for work not because they found jobs, but for the majority because their unemployment insurance benefits ran out and they are now on welfare.

My office is in the same building as the welfare office and I can assure you that every time I take the elevator I see unhappy people. There are a great many of them and in my riding as elsewhere the welfare office cannot keep up.

Our unemployment insurance offices cannot keep up with the demand. What about our welfare offices? There are over 10,000 homeless people in Montreal alone who spend the winter in subway stations. With the freezing temperatures we have in this country, what do you think they are going to live on this winter? Food banks—I just happened to be reading in the newspapers last weekend

that Sun Youth, an organization which does a great job, cannot keep up with the demand the Holiday Season being just around the corner. The shelves are empty. There is not enough food to go around.

It surely is not a good time to make cuts, to cap public assistance. Last Friday we heard from both sides of this House statements on violence against women as well as on violence in general. Every morning I look at the newspaper when I get up and every day I read that someone somewhere was shot or killed. Why? Because they have nowhere to stay, nothing to eat, no job, nothing. We can see the result: increasing violence. The number of violent crimes is increasing every day.

The government has the responsibility to do something, to help in this very difficult period. There will be, I hope, as you do, Mr. Speaker, better times in this country, but for the moment the situation is so bad that we have to help people in need so they too can have some hope.

In Montreal—and this is not the first time this is mentioned in the House—exams had to be scheduled so as to coincide with the receipt of welfare cheques, because after a couple of weeks there is no money left and children come to school hungry, a fact which is not exactly conducive to good performance during exams. This is so serious it is almost unbelievable.

In Montreal East—I am giving figures for the whole of the island of Montreal, but there is the west, the centre and the east—it is totally unacceptable. We have never seen such a situation before.

I urge the government to revise its plan, to drop its decision to cap welfare payments, and to give to those who are in real need. During the Christmas season it is important to give. It is important for people to believe there is light at the end of the tunnel, that there is hope for a better tomorrow. What if we abandon them? Of course the government will argue it is strapped for money, but is it the right time to make those cuts? Is it the right time to deal with those financial problems?

The government had a number of good years. There were years when the economy was in good shape, and that is when it should have dealt with those problems. Unfortunately they were incapable of dealing with those economic problems and that is why we are in this recession today. The government keeps cutting. If you keep squeezing a lemon when there is no juice left, the result is the kind of violence we see every day not just in Montreal—I am from Montreal so I am very aware of this—but across Canada.

I hope the government will be able to listen to members on both sides of the House, because I am sure there are government members like yourself, Mr. Speaker, who share this view. Perhaps, in the spirit of Christmas, we should set aside political partisanship, withdraw this bill and increase welfare payments so that Canadians living in poverty can hope to have a Merry Christmas.

[*English*]

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I rise in support of this motion doing radical surgery on Bill C-32. It is an amendment but it is radical surgery.

This is a bill that imposes a significant amount of belt tightening on our public finances in this country. It is belt tightening but we must look and ask who we are asking to tighten their belts. Who is going to do the belt tightening here? It is the poor and the hungry. It is not those who have the decent pay cheque coming in every week and who still have a job in this recession. It is the poor and the hungry.

The government says this is just a marginal impact on transfer payments, the Canada Assistance Plan payments that are paid to the provinces. It is marginal and puts a limit on the increases but every single dollar of that margin is being borne on the backs of the poor and the hungry. It is not marginal for that class of people in this country.

What was a two-year plan is now a five-year plan. It is extended out another three years and involves another $2 billion. I want to ask the House to contrast the fight that was waged by the Public Service in this town and across the country on the matter of the zero, three and three wage control and the imposed arbitration. That was a big fight. That was a strike. There was dislocation of government services right across this country and yet this bill is going to impact just as much and maybe more on the poor and hungry of this country.

Where are they? I would venture to suggest that many of them do not even know what is happening here. Who is here to speak for the poor and the hungry right here

now as we approach the Christmas season? The timing is terrible.

The reason why the belt tightening has been made necessary is the failure of this government to address its fiscal management in the mid-1980s. It ran up a deficit that began in 1982 and 1983. It escalated and it kept on coming year after year right through the good years when we had an opportunity to put our finances in order.

I am very critical of the government for permitting this situation to occur.

The Acting Speaker (Mr. DeBlois): Your time has expired.

* * *

BUDGET IMPLEMENTATION ACT, 1991

MEASURE TO ENACT

The House resumed from Wednesday, December 4, consideration of motion of Mr. Mazankowski that Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, be read the third time; and of the amendment of Mr. Walker (p. 5662).

The Acting Speaker (Mr. DeBlois): Pursuant to order made Tuesday, December 3, 1991, the House will now proceed to the taking of the deferred division on the amendment of Mr. Walker at the third reading stage of Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991.

Call in the members.

The House divided on the amendment, which was negatived on the following division:

(Division No. 90)

YEAS

Members

Allmand
Angus
Axworthy (Winnipeg South Centre)
Bellemare
Bevilacqua
Blackburn (Brant)
Boudria
Brewin
Campbell (South West Nova)
Copps
de Jong
Edmonston
Fisher
Fontana
Gagliano
Gauthier
Grey (Beaver River)
Harvard
Althouse
Arseneault
Bélair
Benjamin
Black
Blaikie
Breaugh
Callbeck
Catterall
Crawford
Duhamel
Finestone
Flis
Fulton
Gardiner
Gérin
Harb
Harvey (Edmonton East)
Heap
Hovdebo
Jordan
Keyes
Kindy
Langan (Mission—Coquitlam)
Laporte
Lee
MacDonald (Dartmouth)
Maheu
Marleau
McCurdy
McLaughlin
Mills
Nault
Pagtakhan
Peterson
Proud
Riis
Rodriguez
Skelly (Comox—Alberni)
Stewart
Taylor
Vanclief
Wappel
Young (Beaches—Woodbine)—87
Hopkins
Hunter
Karpoff
Kilger (Stormont—Dundas)
Kristiansen
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLaren
Manley
Martin (Lasalle—Émard)
McGuire
Milliken
Mitchell
Nystrom
Parker
Plamondon
Rideout
Robinson
Simmons
Speller
Stupich
Tremblay (Rosemont)
Walker
Whittaker

NAYS

Members

Anderson
Atkinson
Bernier
Bird
Blackburn (Jonquière)
Blenkarn
Boyer
Browes
Campbell (Vancouver Centre)
Chadwick
Clark (Yellowhead)
Clifford
Collins
Corbeil
Côté
Danis
Della Noce
Dick
Domm
Duplessis
Fee
Ferland
Friesen
Greene
Gustafson
Harvey (Chicoutimi)
Hicks
Hogue
Horning
Hughes
Jelinek
Joncas
Kempling
Landry
Larrivée
Lewis
Lopez
Malone
McDermid
McKnight
Monteith
Nicholson
O'Kurley
Porter
Redway
Ricard
Robitaille
Schneider
Andre
Belsher
Bertrand
Bjornson
Blais
Bourgault
Brightwell
Cadieux
Cardiff
Chartrand
Clark (Brandon—Souris)
Cole
Cooper
Corbett
Crosby (Halifax West)
Darling
Desjardins
Dobbie
Dorin
Epp
Feltham
Fontaine
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hawkes
Hockin
Horner
Hudon
Jacques
Johnson
Jourdenais
Koury
Langlois
Layton
Littlechild
MacDougall (Timiskaming)
Martin (Lincoln)
McDougall (St. Paul's)
McLean
Moore
Oberle
Paproski
Pronovost
Reimer
Richardson
Saint-Julien
Scott (Victoria—Haliburton)

Shields	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Tétreault
Thacker	Thompson
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Vankoughnet
Vézina	Vien
Vincent	Weiner
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—120	

PAIRED—MEMBERS

nil/aucun

The Acting Speaker (Mr. DeBlois): I declare the amendment lost.

The question is on the main motion.

[*Translation*]

Mr. Gagliano: Mr. Speaker, I think you will find that there is unanimous consent to apply to the main motion the results of the vote just taken on the amendment, but in reverse.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): We do not have unanimous consent. The next question is on the main motion.

All those in favour will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. DeBlois): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): In my opinion the yeas have it.

Some hon. members: On division.

The Acting Speaker (Mr. DeBlois): I declare the motion negatived.

Motion agreed to, bill read the third time and passed.

TRUST AND LOAN COMPANIES ACT

MEASURE TO ENACT

The House resumed from Friday, December 6, consideration of the motion of Mr. Loiselle that Bill C-4, an act to revise and amend the law governing federal trust and loan companies and to provide for related and consequential matters, be read the third time and passed.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 45(6), the House will now proceed to the taking of the deferred division on the third reading of Bill C-4, an act to revise and amend the law governing federal trust and loan companies and to provide for related and consequential matters.

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

(*Division No. 91*)

YEAS

Members

Allmand	Anderson
Andre	Arseneault
Atkinson	Axworthy (Winnipeg South Centre)
Bélair	Bellemare
Belsher	Bernier
Bertrand	Bevilacqua
Bird	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Boudria
Bourgault	Boyer
Brightwell	Browes
Cadieux	Callbeck
Campbell (South West Nova)	Campbell (Vancouver Centre)
Cardiff	Catterall
Chadwick	Chartrand
Clark (Yellowhead)	Clark (Brandon—Souris)
Clifford	Cole
Collins	Cooper
Copps	Corbeil
Corbett	Côté
Crawford	Crosby (Halifax West)
Danis	Darling
Della Noce	Desjardins
Dick	Dobbie
Domm	Dorin
Duhamel	Duplessis
Epp	Fee
Feltham	Ferland
Finestone	Flis
Fontaine	Fontana
Friesen	Gagliano
Gauthier	Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Grey (Beaver River)	Guilbault
Gustafson	Halliday
Harb	Harvard
Harvey (Chicoutimi)	Hawkes
Hicks	Hockin
Hogue	Hopkins
Horner	Horning
Hudon	Hughes
Jacques	Jelinek
Johnson	Joncas
Jordan	Jourdenais
Kempling	Keyes

Kilger (Stormont—Dundas)
Koury
Langlois
Layton
Lee
Littlechild
MacAulay
MacDougall (Timiskaming)
Maheu
Manley
Martin (Lasalle—Émard)
McDermid
McGuire
McLean
Mills
Moore
Nicholson
O'Kurley
Paproski
Peterson
Porter
Proud
Reimer
Richardson
Robitaille
Schneider
Shields
Simmons
Soetens
Speller
Stewart
Tétreault
Thompson
Tremblay (Rosemont)
Tremblay (Lotbinière)
Vankoughnet
Vien
Walker
Weiner
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—173
Kindy
Landry
Larrivée
LeBlanc (Cape Breton Highlands—Canso)
Lewis
Lopez
MacDonald (Dartmouth)
MacLaren
Malone
Marleau
Martin (Lincoln)
McDougall (St. Paul's)
McKnight
Milliken
Monteith
Nault
Oberle
Pagtakhan
Parent
Plamondon
Pronovost
Redway
Ricard
Rideout
Saint-Julien
Scott (Victoria—Haliburton)
Siddon
Sobeski
Sparrow
Stevenson
Tardif
Thacker
Thorkelson
Tremblay (Québec-Est)
Vanclief
Vézina
Vincent
Wappel
White
Winegard

NAYS

Members

Althouse
Benjamin
Blackburn (Brant)
Breaugh
de Jong
Fisher
Gardiner
Heap
Hunter
Kristiansen
Langdon (Essex—Windsor)
McCurdy
Mitchell
Parker
Robinson
Skelly (Comox—Alberni)
Taylor
Young (Beaches—Woodbine)—35
Angus
Black
Blaikie
Brewin
Edmonston
Fulton
Harvey (Edmonton East)
Hovdebo
Karpoff
Langan (Mission—Coquitlam)
Laporte
McLaughlin
Nystrom
Riis
Rodriguez
Stupich
Whittaker

PAIRED—MEMBERS

nil/aucun

• (1830)

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Bill read the third time and passed.

BANK ACT

MEASURE TO ENACT

The House resumed from Friday, December 6, consideration of the motion of Mr. Mazankowski that Bill C–19, an act respecting banks and banking, be read the third time and passed.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 45(6), the House will now proceed to the taking of the deferred division on the motion for third reading of Bill C–19, an act respecting banks and banking.

Mr. Gagliano: Mr. Speaker, I will try a second time and I hope to have more luck than with my first attempt. If you again asked for the unanimous consent of the House, we maybe could apply the result of the vote that was just taken to the next motion.

Mr. Gérin: Mr. Speaker, the Bloc Quebecois was not consulted on that procedure.

The Acting Speaker (Mr. DeBlois): Order, please. Is there agreement to apply the result of the vote that was just taken to the next motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): Since there is no unanimous consent, I must proceed with the vote.

The vote is on the main motion relating to Bill C–19.

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

(*Division No. 92*)

YEAS

Members

Allmand
Andre
Atkinson
Bélair
Belsher
Bertrand
Bird
Blackburn (Jonquière)
Blenkarn
Bourgault
Brightwell
Cadieux
Campbell (South West Nova)
Cardiff
Chadwick
Clark (Yellowhead)
Clifford
Collins
Anderson
Arseneault
Axworthy (Winnipeg South Centre)
Bellemare
Bernier
Bevilacqua
Bjornson
Blais
Boudria
Boyer
Browes
Callbeck
Campbell (Vancouver Centre)
Catterall
Chartrand
Clark (Brandon—Souris)
Cole
Cooper

Copps
Corbett
Crawford
Danis
Della Noce
Dobbie
Dorin
Duplessis
Fee
Ferland
Flis
Fontana
Gagliano
Gérin
Greene
Guilbault
Halliday
Harvard
Hawkes
Hockin
Hopkins
Horning
Hughes
Jelinek
Joncas
Jourdenais
Keyes
Kindy
Landry
Larrivée
LeBlanc (Cape Breton Highlands—Canso)
Lewis
Lopez
MacDonald (Dartmouth)
MacLaren
Malone
Marleau
Martin (Lincoln)
McDougall (St. Paul's)
McKnight
Milliken
Monteith
Nault
Oberle
Pagtakhan
Parent
Plamondon
Pronovost
Redway
Ricard
Rideout
Saint-Julien
Scott (Victoria—Haliburton)
Siddon
Sobeski
Sparrow
Stevenson
Tardif
Thacker
Thorkelson
Tremblay (Québec-Est)
Vanclief
Vézina
Vincent
Wappel
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—172

Corbeil
Côté
Crosby (Halifax West)
Darling
Desjardins
Domm
Duhamel
Epp
Feltham
Finestone
Fontaine
Friesen
Gauthier
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Harb
Harvey (Chicoutimi)
Hicks
Hogue
Horner
Hudon
Jacques
Johnson
Jordan
Kempling
Kilger (Stormont—Dundas)
Koury
Langlois
Layton
Lee
Littlechild
MacAulay
MacDougall (Timiskaming)
Maheu
Manley
Martin (Lasalle—Émard)
McDermid
McGuire
McLean
Mills
Moore
Nicholson
O'Kurley
Paproski
Peterson
Porter
Proud
Reimer
Richardson
Robitaille
Schneider
Shields
Simmons
Soetens
Speller
Stewart
Tétreault
Thompson
Tremblay (Rosemont)
Tremblay (Lotbinière)
Vankoughnet
Vien
Walker
Weiner
Wilbee
Winegard

NAYS

Members

Althouse
Benjamin
Blackburn (Brant)
Breaugh
de Jong
Fisher

Angus
Black
Blaikie
Brewin
Edmonston
Fulton

Gardiner
Heap
Hunter
Kristiansen
Langdon (Essex—Windsor)
McCurdy
Mitchell
Parker
Robinson
Skelly (Comox—Alberni)
Taylor
Young (Beaches—Woodbine)—35

Harvey (Edmonton East)
Hovdebo
Karpoff
Langan (Mission—Coquitlam)
Laporte
McLaughlin
Nystrom
Riis
Rodriguez
Stupich
Whittaker

PAIRED—MEMBERS

nil/aucun

• (1840)

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Bill read the third time and passed.

* * *

INSURANCE COMPANIES ACT

MEASURE TO ENACT

The House resumed from Friday, December 6, consideration of the motion of Mr. Loiselle that Bill C–28, an act respecting companies and fraternal benefit societies, be read the third time and passed.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 45(6), the House will now proceed to the taking of the deferred divisions at third reading stage of Bill C–28, an act respecting companies and fraternal benefit societies.

Mr. Gagliano: Mr. Speaker, through you, I would now like to ask all members of this House if they wish to give their consent so that the vote that was just taken be applied to the main motion on Bill C–28.

Mr. Plamondon: Mr. Speaker, I would like the member to get into the habit of consulting us before the votes, as he does with the other parties.

The Acting Speaker (Mr. DeBlois): Since there is no unanimous consent, the next vote will be on the main motion on Bill C–28.

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

(Division No. 93)

YEAS

Members

Allmand
Andre
Atkinson
Bélair

Anderson
Arseneault
Axworthy (Winnipeg South Centre)
Bellemare

Belsher
Bernier
Bertrand
Bevilacqua
Bird
Bjornson
Blackburn (Jonquière)
Blais
Blenkarn
Boudria
Bourgault
Boyer
Brightwell
Browes
Cadieux
Callbeck
Campbell (Vancouver Centre)
Cardiff
Catterall
Chadwick
Chartrand
Clark (Yellowhead)
Clark (Brandon—Souris)
Clifford
Cole
Collins
Cooper
Copps
Corbeil
Corbett
Côté
Crawford
Crosby (Halifax West)
Danis
Darling
Della Noce
Desjardins
Dobbie
Domm
Dorin
Duhamel
Duplessis
Epp
Fee
Feltham
Ferland
Finestone
Flis
Fontaine
Fontana
Friesen
Gagliano
Gauthier
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Greene
Grey (Beaver River)
Guilbault
Gustafson
Halliday
Harb
Harvard
Harvey (Chicoutimi)
Hawkes
Hicks
Hockin
Hogue
Hopkins
Horner
Horning
Hudon
Hughes
Jacques
Jelinek
Johnson
Joncas
Jordan
Jourdenais
Kempling
Keyes
Kilger (Stormont—Dundas)
Kindy
Koury
Landry
Langlois
Larrivée
Layton
LeBlanc (Cape Breton Highlands—Canso)
Lee
Lewis
Littlechild
Lopez
MacAulay
MacDonald (Dartmouth)
MacDougall (Timiskaming)
MacLaren
Maheu
Malone
Manley
Marleau
Martin (Lasalle—Émard)
Martin (Lincoln)
McDermid
McGuire
McKnight
McLean
Milliken
Mills
Monteith
Nault
Nicholson
Oberle
O'Kurley
Pagtakhan
Paproski
Parent
Peterson
Plamondon
Porter
Pronovost
Proud
Redway
Reimer
Ricard
Richardson
Rideout
Robitaille
Saint-Julien
Schneider
Scott (Victoria—Haliburton)
Shields
Siddon
Simmons
Sobeski
Soetens
Sparrow
Speller
Stevenson
Stewart
Tardif
Tétreault
Thacker
Thompson
Thorkelson
Tremblay (Rosemont)
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Vanclief
Vankoughnet
Vézina
Vien
Vincent
Walker
Wappel
Weiner
White
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Winegard
Worthy—169

NAYS

Members

Althouse
Angus
Benjamin
Black
Blackburn (Brant)
Blaikie
Breaugh
Brewin
de Jong
Edmonston
Fisher
Fulton
Gardiner
Harvey (Edmonton East)
Heap
Hovdebo
Hunter
Karpoff
Kristiansen
Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)
Laporte
McCurdy
Mitchell
Nystrom
Parker
Riis
Robinson
Rodriguez
Skelly (Comox—Alberni)
Stupich
Taylor
Whittaker
Young (Beaches—Woodbine)—34

PAIRED—MEMBERS

nil/aucun

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Bill read the third time and passed.

The Acting Speaker (Mr. DeBlois): It being 6.50 p.m., this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.50 p.m.

HOUSE OF COMMONS

Tuesday, December 10, 1991

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

INTERNATIONAL HUMAN RIGHTS DAY

Hon. Monique Landry (Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I appreciate the opportunity that I am being given today to focus attention on International Human Rights Day. This event is of particular importance at a time when, more than ever, the peoples of the five continents have legitimate aspirations to freedom, social justice and the rule of law.

Today we commemorate the 43rd anniversary of the adoption of the Universal Declaration of Human Rights on December 10, 1948. The world has changed radically since then. Considerable progress has been made in many areas, especially on the world political scene.

In the past two years alone, we have seen the tearing down of the Berlin Wall, which symbolized the cold war, and revolutionary changes throughout eastern Europe. The improvement in east-west relations has had a ripple effect: the reunification of the two Germanies and the holding of free elections in eastern bloc countries are impressive testimony to this.

The Communist regimes of eastern Europe have collapsed under the pressure of the democratic aspirations of peoples too long deprived of their individual and political freedoms. In Africa, several countries including Benin, Ivory Coast, Zambia and Namibia have chosen the path of democracy.

[*English*]

In South Africa the apartheid system is being dismantled. In Asia elections have been held in countries such as Mongolia and the Philippines and at last the end of the rivalry between the two major blocs has enabled the United Nations to revive the co-operative spirit of the charter. The UN has regained its decisive role in maintaining international order and in seeking to resolve conflicts.

This new climate of co-operation and this emerging new world order along with disarmament talks have allowed a redefinition of the concept of security based on socio-economics far more than on military foundations.

Our concept of security must now be adapted to suit a new environment that includes all threats to global peace and stability.

Chronic poverty, debt, socio-economic disparities, destruction of the environment, unresolved regional conflicts, governments with repressive regime, all these socio-economic pressures represent threats to world peace and call for international joint action and ongoing political dialogue among all countries. A better understanding of the human factor and recognition of the universality of such fundamental values as individual and political freedom are essential to the advancement of all the world's societies.

[*Translation*]

Respect for human rights and the maintenance of peace and security are closely related, as are freedom and human development.

• (1010)

Our own country's security is also closely tied to our openness to the world and our desire to build a united Canada with democratic, economic and cultural freedom, a Canada that is proud to promote its values and convictions beyond its borders, a Canada that will play a leading role on the international scene in the 21st century.

The promotion of human rights has been one of the cornerstones of Canada's foreign policy for several years and is manifested in various types of activities. These include: our support for international institutions such as the United Nations Commission on Human Rights; our policies in favour of human rights and democratic development in our bilateral relations; our material and technical assistance to countries and institutions to support the promotion of human rights; the creation of an International Centre for Human Rights and Democratic Development; Elections Canada's support to the electoral process; and our development assistance program.

Canada's membership in international institutions such as the Commonwealth and La Francophonie consitutes a decisive factor in the quality and credibility of our political dialogue with other countries.

Canada's influence on the international scene is increasingly effective in efforts to achieve greater respect for human rights. The growing credibility that we have acquired beyond our borders stems from the quality of our activities and the vision that we seek to share with all human societies. Under the remarkable leadership of the Prime Minister, Canada has distinguished itself by its firm positions and innovative initiatives.

At the closing of the Dakar Summit in 1989, the participants issued a joint statement calling for respect for human rights and for the right to development. This statement, proposed by Canada, clearly defined the link between individual rights and the rights of peoples.

At the World Summit for Children, held in New York in September 1990 under the co-chairmanship of the Prime Minister of Canada, not only did Canada play a very active role, but we have also honoured our commitments through concrete initiatives, including our important financial support to the universel immunization program.

At the Commonwealth Summit in Harare last October, the issue of human rights was raised at Canada's urging. Canada played a leading role, as well, in the decision not to hold the fourth Francophone summit in Kinshasa, in the presence of Colonel Mobutu. The summit was moved to Paris.

I think that I must also mention Canada's support to Haiti's only legitimate leader, President Jean-Bertrand Aristide, who is in our country right now and whom I will have the pleasure of welcoming to Ottawa in a few minutes.

And yesterday, Canada suspended approval of new aid projects to Indonesia as a sign of indignation following the recent killings in East Timor and to reflect our concern about the human rights situation in this country.

Finally, the Prime Minsiter of Canada's firm position on human rights and democratic development set the tone for discussion and for the final declaration of Chaillot. Let me quote the key passage:

> Gathered to reaffirm our solidarity and our firm desire to work together actively to shape a better future for our peoples and for the international community— we, the heads of state, government and delegations gathered at Chaillot thus intend to live up to our historic responsibilities and to respond to the legitimate aspirations of our peoples in a new international context.

This new international context is sending us clear messages that call for a shared concept of the rights and freedoms associated with human development.

The whole world is moving irreversibly toward greater respect for human rights and freedoms.

This movement is based on growing awareness of our interdependence and our common destiny and on a broadly shared desire for global development that is both democratic and sustainable.

Mr. Speaker, 43 years ago in the Universal Declaration of Human Rights the peoples of the United Nations proclaimed their faith in fundamental human rights, in the dignity and worth of the human person and in the equal rights of men and women, and determined to promote social progress, better standards of life and greater freedom. This is the fundamental commitment that the international community has made: These are the values that Canada defends and will continue to defend with conviction.

[*English*]

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am very pleased to rise in this House today to draw attention to International Human Rights Day. Today we celebrate the 43rd anniversary of the world's adoption of the Universal Declaration of Human Rights.

I agree with the minister. The world has changed radically since December 10, 1948. Some progress has been made in the world political scene. The Soviet Union, as an example, no longer exists as we knew it. This former superpower is now more than willing to work with its former adversary, the United States, to seek common ground on global issues rather than pursue the previous path of a balance of terror.

The Berlin Wall has come down, highlighting the end of the cold war and revolutionary changes throughout eastern Europe. Several African, Asian and American countries are choosing democracy. There is a world-wide movement toward democracy and no longer will people quietly be subject to authoritarian rule.

1991 has become the year in which we have become evermore aware of the tragic victims of violence around the world. Since we last proclaimed International Human Rights Day, the world has been at war with Iraq.

Yugoslavia continues to tear itself apart amidst ongoing violent struggle. In the Middle East, though human rights violations continue there is a beacon of hope with the peace talks.

A new internationalism is waiting to be born, based on the common goals of the elimination of poverty, a recognition of the fragility of the environment, and the slow recognition of the basic rights and dignity of every person and people.

Everywhere, including former Soviet socialist republics, the struggle for self-determination is the order of the day. The key word here is the word "struggle". With the freedom we enjoy as Canadians comes a responsibility to help reshape and redefine a new world order.

Canada has had a tradition of pursuing an international foreign policy, particularly under Prime Ministers St. Laurent, Pearson and Trudeau. As we face new challenges we can again be a voice in this birth of international co-operation, openness and compassion which will seek to free all people.

My leader, the leader of the Liberal Party, said in a foreign policy speech over a year ago:

> I am realistic about our ability to influence the course of events in a world where others often have larger stakes, or larger means, than ours. But Canada does have a respected voice and shares legitimate interests with many countries. We lead when we contribute a well-rounded vision of the world, or when we speak up for international law and mediation, or when we show that we care for those who suffer elsewhere in the world.

The minister speaks of Canada's support for international institutions such as the United Nations or the government's stated policies in favour of human rights and democratic development in our bilateral relations. Of late, however, there have been many examples in which the actions have not lived up to the rhetoric.

I think particularly of East Timor. It was not until yesterday that the government suspended approval of new aid projects to Indonesia as a sign of indignation following the recent massacre by Indonesian troops of an estimated 200 unarmed East Timorese.

This tiny nation was struggling toward independence and self-determination only to be invaded by Indonesia in 1975. The people of East Timor have suffered one of the most ruthless attacks in modern history. On a per capita basis the atrocities committed against the small population of less than a million people are higher than those committed by, as an example, the Khmer Rouge in Cambodia. As many as one-third of the people of this small south Pacific island have perished due to the initial war and subsequent acts of violence, starvation and disease perpetrated by the Indonesian army.

• (1020)

This week December 7, 1991 was the 16th anniversary of this invasion and the action of this government. While we recognize it, I am afraid it could be too little too late.

Indonesia, by its invasion and occupation of East Timor, has embarked on gross violations of the United Nations two most basic principles of integrity of territory and the right to self-determination. The United Nations Security Council has passed resolutions calling for the withdrawal of Indonesia, yet Canada is one of only two hold-out nations. The government has recognized Indonesia's *de facto* rule over East Timor. Canada has at the UN voted against resolutions calling for Indonesia's withdrawal. We should all be ashamed of that.

In order for Canada to be legitimate in its condemnation of Indonesia's abhorrent actions against East Timor, it must immediately and unequivocally offer support for

all UN resolutions regarding Indonesia's illegal occupation of East Timor.

We must press for implementation of the UN Security Council's resolutions 389 and 384, which call for the immediate withdrawal of Indonesian troops and for international assistance to the people of East Timor.

A quotation of Mr. Andrei Sakharov, Oxford, 1986, comes to mind: "Human rights will not be helped by silence". In silence we are as guilty as the perpetrator of the human rights violations. This government has been selectively silent. The Prime Minister has made lofty pronouncements of a policy that would see the linkage of Canadian aid to a country's human rights record. We have yet to learn how the policy will work. There appears to be a double standard in its implementation. For example, why has the policy of this government been to treat the invasion of Kuwait differently than the invasion of East Timor?

I recommend developing and defining the criteria for implementing this stated policy with the following in mind: transparency, consistency, coherency and compassion.

In closing I would like to honour this year's recipient of the Nobel Peace Prize, Aung San Suu Kyi, for her non-violent struggle to restore democratic freedom to her country of Myanmar, formerly Burma. She has paid a dear price for exemplifying the values that we are commemorating on this day of international human rights.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, it is an honour for me to join in commemorating today the 43rd anniversary of the Universal Declaration of Human Rights. It is an opportunity for us to review the progress that has been made toward equality and fundamental respect for human rights but also to underline the many challenges that face us still today in the world on this front and at home in Canada.

Internationally I would remind the House that the Universal Declaration of Human Rights encompasses civil and political rights as well as the economic, social and cultural rights. These aspects of human rights are profoundly important. Frank Scott, the distinguished Canadian poet, author, lawyer and constitutional human rights expert, said: "The trappings of democracy hang loosely on an emaciated body politic".

We know this only too well in a world in which 40,000 children die each day from preventable disease and from hunger. We know this from reading the annual reports of UNICEF on the state of the world's children. We know there are over one million poor children in Canada. It is a national disgrace. At the same time globally the world spends over $900 billion on weapons of destruction.

Surely it is time to recognize that the real threats to security globally are poverty, hunger, homelessness, sickness, AIDS and the global destruction of our environment.

The Prime Minister has spoken of the importance of the linkage between human rights and Canada's aid policies and hopefully our trade policies as well. We in this House support that, but there remains a huge gap between the rhetoric and the reality.

For example, we heard just last night in the external affairs committee from representatives of NGOs who are working courageously and diligently on the issue of self-determination for the people of East Timor.

We also heard from government representatives who suggested that they are not prepared to impose an arms embargo on Indonesia and are not prepared to support self-determination resolutions at the United Nations. This suggests that they are not prepared to encourage actively an international independent inquiry into the murders at Dili on November 12.

[*Translation*]

When we talk about basic rights, we must not forget that economic, social, civil and political rights as recognized internationally are linked, especially when we are talking about developing countries.

Canada must not pressure countries receiving assistance into adopting economic policies designed by international financial institutions which ignore the economic and social rights of the poor. Canada must maintain the same standards for international financial institutions.

[*English*]

Amnesty International has documented many other areas in which there are profound abuses of human rights: Burma, today we pay tribute to the recipient of the Nobel Peace Prize Aung San Suu Kyi; China, including Tibet; Central America where over 70,000 people have died in the tragic war in El Salvador; Sri Lanka; India, particularly in the Kashmir and in the Punjab; Mexico; South Africa where apartheid is not dead; Togo where the fragile new democracy has been

overturned by a military invasion; and the Middle East where human rights continue to be violated whether it is the rights of 4,500 Syrian Jews who continue to be denied the most fundamental rights or whether it is the rights of the Palestinians who yesterday commemorated the fourth anniversary of the *intifada*. Certainly the time for justice for the Palestinians, for self-determination, for recognition of their right to nationhood and for an end to human rights violations has come. Indeed it should have come long ago.

We have seen violations in Croatia, in Vojvodina and in Kosovo. There has been a tragic loss of life and the destruction of the cultural heritage of a people.

[*Translation*]

We extend a warm welcome to Jean-Bertrand Aristide who is here in Ottawa, and we wish him a speedy return to Haiti as the president of that country.

[*English*]

In closing, I would remind the House that Canada must also practise at home what we preach abroad with respect to human rights. In that light the inter-church committee for refugees has reminded us of the importance that Canada not remain silent to abuses of refugees and asylum seekers in developed countries. Canada should do far more to respond to documented human rights problems with our own refugee programs in Canada.

Finally I would remind the House that the Canadian Human Rights Act must be amended. We have waited far too long for equality, equality for lesbians and gay men who were promised that equality five and a half years ago. They are still denied equality. We need equality for people with disabilities, for people of colour who still feel the sting of racism, for women who are still second-class citizens in Canada and for aboriginal peoples. The treatment of them at home remains a national shame and a national tragedy.

Both internationally and here at home much work remains to be done. Many challenges remain. We celebrate the accomplishments that have been made today on International Human Rights Day. We pay tribute to individuals who are working in NGOs both in Canada and internationally. We must remember much work remains to be done to realize the principle that was set out so eloquently.

[*Translation*]

Jean-Bertrand Aristide last night in Montreal told us: "Human rights are the torch that lights modern democracy".

That is true, so let us make sure it is true in Canada and throughout the world.

• (1030)

Mr. Speaker: I believe it would be appropriate to remind the House of the order of business at this point. We are now on Presenting Reports from Interparliamentary Delegations, under Routine Proceedings.

* * *

[*English*]

NOBEL PEACE PRIZE

CONGRATULATIONS TO AUNG SAN SUU KYI

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have consulted with my colleagues on all sides of the House and I believe that there would be agreement to the following motion:

> That this House express its congratulations to Aung San Suu Kyi, recipient of 1991 Nobel Peace Prize being presented in Oslo today, for her courage, integrity and commitment to the Burmese people's struggle for human rights and democracy.

It calls upon the state law and order restoration council of Burma to honour the results of the 1990 national election, to free Aung San Suu Kyi and the 62 jailed members of Parliament, and to allow her to give her speech of acceptance at this highest of awards from her home in Rangoon.

I believe this would meet with the agreement of the House.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I second the motion moved by the hon. member for Burnaby—Kingsway. Mrs. Aung San Suu Kyi has shown extraordinary courage in the face of repression by the State Law and Order Restoration Council.

Her efforts to promote human rights and democracy in Burma is certainly worthy of mention in this House. The Government of Canada has repeatedly demanded the release of Aung San Suu Kyi and of all political prisoners held in Burma, while asking the Burmese authorities to respect the results of the May 1990 election.

Today's motion is one more in a long list of representations.

[*English*]

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I wish to associate our caucus with this resolution, especially on a day when humankind's highest award is given to the Leader of the Opposition in Burma.

It is tragic that at this time she is denied her fundamental right not only to speak out on behalf of her own people but to be with her family, her husband and friends at this season.

I think this Parliament must go on record as supporting this resolution in particular in the hope that we can urge our own government to add its voice continually for the freedom of Aung San Suu Kyi. It is absolutely essential that her voice be added to the peaceful voices in this world.

[*Translation*]

Mr. Speaker: Does the hon. member have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Motion agreed to.

Mr. Speaker: We are now on Petitions.

[*English*]

PETITIONS

JUSTICE

Hon. Herb Gray (Windsor West): Mr. Speaker, I am rising to present a number of petitions signed by people from Windsor, Ontario and various centres in Ontario.

The petitions bear close to 8,000 names. They call upon Parliament to pass legislation establishing mandatory minimum sentences for all violent crimes which would apply uniformly to all regions of Canada.

HATZIC ROCK SITE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I am rising to present a petition signed predominantly by people from the riding of Mission—Coquitlam.

They are petitioning the government to recognize the Hatzic rock site near Mission, B.C. to be of great historical and spiritual value to the Sto:Lo people and to the people of Mission—Coquitlam.

We therefore ask the government to proceed with the necessary steps to see that the site is preserved and protected as a national heritage site.

UKRAINE

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have the honour to present a petition signed by residents of my constituency of Burnaby—Kingsway, as well as residents of other parts of British Columbia and Quebec.

They point out that on August 24, 1991 the Ukrainian Parliament declared Ukrainian independence and the creation of an independent and democratic state of Ukraine. One million Canadians of Ukrainian descent have for a century sustained their ideals of freedom and democracy for an independent ancestral homeland.

They go on to point out some of the other history leading to the historic referendum just recently in Ukraine. Finally they call upon the Parliament of Canada to urge the government to give genuine support to the people of Ukraine by officially recognizing Ukraine's independence and establishing full diplomatic relations with the government and people of Ukraine immediately following the positive referendum on December 1 of this year.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, Question No. 145 will be answered today.

[*Text*]

Question No. 145—**Mr. Duhamel:**

1. Since 1984, with respect to applications for (a) War Veterans Widows Allowance, (b) GIS, (c) Survivor Disability Pension, (i) how many late claims have been received (ii) how many late claims have been accepted?

2. What has been the estimated savings to the government in non-payment of these benefits to eligible persons?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Governement in the House of Commons): I am informed by the Departments of Veterans Affairs and National Health and Welfare as follows:

1. (a) With respect to retroactivity for war veterans allowance, there is no provision in the War Veterans Allowance Act to authorize payments for any period prior to the first day of the month in which the application was made. This is a matter of legislation and there is no discretionary power to alter it. With respect to the hon. member's question, then, there are no "late claims" for war veterans allowance purposes.

(c) There is no deadline for applying for survivor benefits under the Pension Act. When benefits are awarded to a survivor of a disability pensioner, the effective date of the award is the later of either the day following the death of the disability pensioner or three years prior to the date of the decision to award survivor benefits.

2. Because there is no provision within the WVA Act to authorize payments for any period prior to the first day of the month of application the question with regard to estimated savings is not relevant.

It is not possible to determine, or to estimate with any degree of accuracy, the number of applications for survivor benefits which may have been affected by the retroactivity limits of the Pension Act.

1. (b) and 2. At the present time, the Old Age Security benefit system does not maintain payment history on each beneficiary. Therefore, extensive research involving administrative costs and person-year utilization would be required to capture the requested information.

[*English*]

Mr. Speaker: The question as enumerated by the parliamentary secretary has been answered.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, if Question No. 87 could be made an Order for Return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 87 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

[*Text*]

Question No. 87—**Mr. Whittaker:**

For each month since November 21, 1988, have any payments been made pursuant to the parliamentary secretaries expenses regulations and, if so, to which parliamentary secretaries and in what amount?

Return tabled.

[*English*]

Mr. Cooper: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

Mr. Speaker: I wish to inform the House that pursuant to Standing Order 33(2)(a) and because of the ministerial statement Government Orders will be extended by 23 minutes beginning at one o'clock p.m.

Also, since today is the final allotted day for the supply period ended December 10, 1991, the House will go through the usual procedures to consider and dispose of the supply bill. In view of recent practices, do hon. members agree that the bill be distributed now?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 81—CANADIAN ECONOMIC SITUATION

Hon. Jean Chrétien (Leader of the Opposition) moved

That this House condemn the government for economic mismanagement that has led to an intolerable and tragic level of unemployment, business failure and poverty in Canada.

He said: Mr. Speaker, I welcome this opportunity to rise in the House today, December 10, especially since exactly one year ago the constituents of Beauséjour did me the honour of electing me as their member. I wish to thank them for doing so.

Some hon. members: Hear, hear.

Mr. Chrétien: I had the honour and the privilege to be elected in a riding that truly represents what is best in this country, where the two-thirds of the population that is French speaking lives on friendly terms with the other one-third that is English speaking, in southeastern New Brunswick. This people are hard workers and as Canadians they are very proud of their linguistic and cultural diversity. The two-thirds who are French speaking are descendants of those people who were deported and then came back, and they truly believe in the French language and culture and are very proud to be Canadians and to be part of Canadian society.

[*English*]

In every day of their lives we see examples of what is possible in Canada. The francophone Acadians who make up two-thirds of Beauséjour are working side by side with anglophones who make up one-third and have strong roots in Canada. Many of them were Loyalists who came from the United States to live under the Canadian regime. They have shown to this country that it is possible to live and work together in harmony. It has been a great experience and a great honour for me to be the member for Beauséjour for the last 12 months.

• (1040)

I would like to congratulate my colleague from York North who is celebrating his comeback to the House. He is one of the few in this House who has had the occasion to sit twice in one Parliament. All of us are very proud to have him as a colleague and we want to extend our congratulations for his second election in one term.

[*Translation*]

I am moving this motion as a condemnation of this government's economic policies. Of course, at the end of the year, in the festive season, we would like to be able to get up with a smile on our lips and say that we face the new year with great optimism.

[*English*]

We have to recognize that the government's mishandling of the economy has caused the worst and longest economic crisis since the 1930s. Every family, every community, every region of the country and every sector of the economy are being hurt.

For the last three years we have been saying to this government that the mix of economic policies it was developing was the wrong one. Yet it is still on it.

For the last three years the one obsession of this government has been to fight inflation at any cost. What has been the result of this policy that led to a high dollar and high interest rates? What is the situation today in Canada?

Somebody said this terrible economic strategy of the government is more or less a political version of the neutron bomb. The buildings are left standing but inside all the people have been destroyed.

We have 1.5 million Canadians today who are not working. In less than a year in Canada we have had 60,000 bankruptcies, either personal or business. We can talk about anything we want in this economy today and it is a disaster. Look at what happened in our cities. In the city of Toronto and the city of Montreal what do we see? It is a complete disaster. In fact in any big city in Canada we find that the fastest growing sector of the economy is food banks and soup kitchens.

In Toronto there are more than 100,000 people on welfare. Some 120,000 people have to go to food banks and one-third of these people are children.

[*Translation*]

Today the fair city of Montreal, which a few years ago said that it had pride, has unemployment. Thirty per cent of the citizens of greater Montreal receive unemployment insurance or welfare or some form of government assistance, and that is a disaster.

If you go to Montreal or other parts of Quebec, as I have, you see that people are completely demoralized. The same thing goes throughout the country. People are leaving the rural areas of Quebec to go to live in Montreal, but of course they do not find work. Nothing is more depressing today than walking down Ste. Catherine Street in Montreal. You see one closed store after another. That is the result of this government's economic policies.

We could talk about many other sectors like agriculture, for example. If any industry was stable even in Ontario it was agriculture, because in the past 10 years, marketing boards had stabilized it and balanced production with demand so that consumers had fixed, predictable prices and farmers had stable incomes.

But what is happening today? Because of this government's poor strategy, we are wondering what will happen with GATT. No one knows. If article XI were abolished, what would happen to marketing boards? What did the government do in the Free Trade Agreement? It completely gave up the possibility of setting up bilateral tariff barriers with the American market in case the GATT decision was unfavorable to farmers. Over the past 10 or 12 years, we had managed to stabilize that sector with some effort. It is now very uncertain and thousands of jobs are at stake.

[*English*]

I could talk about western farmers, not only those who need supply management in Canada. Wheat is at its lowest price since the depression. Farmers are leaving their farms every day, to go where? There is no place to go. If they go to the city there are no jobs. There are families who are losing their life assets day after day after day, and they really do not know what will happen to them. It is almost unbelievable.

In Beauséjour, Manitoba they have established a food bank for farmers. These are the very people whose job is to create food for our table and who do not have enough for themselves. We have never seen such a disaster in Canada. When does the government give some help? It just does that under a lot of pressure in the middle of an election, cynically to show that it can buy votes. Wait until the next election. It will not be able to buy one vote. I can guarantee that.

What about the fisheries and overfishing? There is no control over foreign ships that come and take over Canadian resources. We protect the fish on the Grand Banks, for example, off the coast of Newfoundland with conservation measures. We restrain our own fishermen from taking too much fish.

What happens? At the other end of the banks the foreign companies come and pick up the fish. There is no passport for fish. They do not know if they are in Canadian or international waters. Neither the international community nor this government is putting pressure on these countries that are abusing the situation. They are depleting resources that have been there for centuries.

[*Translation*]

I was in my riding of Beauséjour on the weekend and I met fishermen and people who work in the processing plants in Cap-Pelé. Cap-Pelé has perhaps the largest concentration of this kind of smokehouse in America, if not the world. These people worked very hard all year. Companies have built up considerable inventories. And what happens? Suddenly, but quite properly, the government embargoes products sent to Haiti, the main customer. But who pays? The fishermen and entrepreneurs, who are all small business people, and the government does nothing. We have called CIDA but have not heard back. We should not destroy this industry. I am not saying that there should not be economic sanctions against Haiti, but on the other hand this kind of food keeps and the government should do something. This was directly caused by a government policy, although well intentioned and one that looks good around the world. But the government does not pay the cost of it. Who pays? The fishermen and smokehouse operators in Cap-Pelé, New Brunswick, in the riding of Beauséjour. I hope that someone at CIDA is listening to us and will realize that they are working against a traditional industry that has been profitable for many years, that they are ruining it, perhaps even destroying it forever.

That is the kind of policy this government implements all the time. I could talk about plant closures.

• (1050)

[*English*]

Industries are closing down all over Canada. When we had the recession 10 years ago in 1982 they were closing down for a period of time. Now they are closing down forever. They are moving to the United States because of the free trade agreement. This government does not want to do anything.

I could talk about the trade deficit. For the first time in 15 years we have a merchandise trade deficit in Canada. We used to have a balance of payments problem but not a merchandise trade deficit. It is like that all over Canada, and this government is doing nothing at all. Why? It is because the government stubbornly has a fix on inflation and this is destroying everything.

Yesterday the Minister of Finance was in Montreal. He had discussions with business people and they said they wanted a lower Canadian dollar and they wanted to be competitive.

I remember what was said by the manufacturing sector in Canada at the time of the free trade agreement. They said: "Okay, we can sign that, but we need a dollar that will remain competitive". But this government has refused to recognize that reality because some government advisers have the gall to say that we will endure 30 per cent unemployment if we can have zero inflation. They should know that 30 per cent unemployment is a revolution. When you administer the economic and monetary policies of this country, you cannot have a fix only on inflation. You have to have a fix on employment and competition too. That it is exactly what we said to this government.

During the fall I travelled this country and talked about the five principles that we need to restore Canada. We said one of the first things we need is to restore Canada's industrial strength. The only instrument available to them in the very difficult world we are living in today is a competitive dollar. It is always a high dollar. Why? We do not know why. Is it because there are those who say we should have zero inflation that they are afraid to attain anyway?

Mr. James Baker, when he was the U.S. Secretary of the Treasury, said: "We have no trade problem with Canada. The only problem we are having with Canada is the level of the Canadian dollar". Since the government signed the free trade agreement the dollar has been kept high. You have to look at all the reasons. The minister will get up and say that the interest rates are going down. They are going down, but today the government rate is still three points above that of the United States. Of course the prime rate has been reduced, but the government rate is 3.04 per cent above. Yes, sir. I checked this morning. You can say whatever you want, but it is—

Some hon. members: You are right.

Mr. Chrétien: It is 3.04. Why is this? Because this government has a deliberate policy to make sure that the Canadian dollar remains high. It is why the investor is looking to buy Canadian dollars. The prime rate has gone down, but the main rate has not gone down. There is still a spread of three points. So let us get the dollar lower.

The minister will tell us that he cannot lower the dollar. I have been Minister of Finance. I know that the government intervenes strongly or less strongly. I was there. At that time it was at 93 cents, but because we wanted to make sure that the industry in the riding of the minister in British Columbia could sell wood in the United States, we let the Canadian dollar go from 93 cents to 85 cents. We have to do that to the dollar, to make sure that we train our labour force, that we have research and development and that we have market support.

I could go on and on but apparently time is running short.

Some hon. members: More, more.

Mr. Chrétien: We have to reduce the tax burden of the middle class. This government has increased the taxes 32 times in the last few years. The gap between Canada and the United States in terms of the GDP and taxes is higher than ever before.

We have to make sure that we face competition today and with globalization that we have comprehensive and creative adjustment policies to make sure that those affected are not left in the cold like it is with this government. Nobody will do anything.

We have to make sure, as a fourth point, to balance regional economic growth because we cannot let only the market forces decide. There is nothing Canadian left on the shelves any more. This government has destroyed everything in terms of transportation and anything that was keeping this country together. What happens if we do not have any transportation? The people in Atlantic Canada are trapped there and remain poor.

We need a government that can intervene. It is why Japan and Germany are successful. The government intervenes there when it is needed. It is not a *laissez-faire* government like this one.

The fifth point of course is that they were elected to reduce the debt. Do you remember that, Mr. Speaker? When they started they said: "The $175 billion that these Liberals have left us is terrible". They worked on a program to reduce the debt. They worked very hard on it, and now the debt has been reduced to $400 billion. What a success, what a success.

I would like to say to everyone at the end of my remarks that people feel terrible in Canada but there is hope at the end of the tunnel. If this government has any decency within 12 months there will be an election. There was an election three years and one month ago so we should have an election in 1992.

I say to Canadians when I am travelling that we need a new government, but this new government will need a mission. This mission is to bring hope and pride to this nation as this government has failed to do. On every score this country is desperate today.

They have created a constitutional mess that we will try on a non-partisan basis to cure. If they had known better they would have shut up in 1987 when they were preoccupied in Quebec about having a new class of business people doing well in the world. They opened a wound that they will have a hell of a problem closing. We will help them.

I hope they will stop that nonsense of having a Spicer II show and doing what they are doing today. The NDP and ourselves put our feet on the ground and said: "We do not want that kind of show any more. We want the members to look at the 28 propositions". We went far to achieve that, but we have succeeded. I hope that we will be able to find a solution and bring hope. It is a problem that need not have existed, but it was created by this government. The economic mess is there, as we all know, but we say to Canadians that there will be an election. There will be a government that will understand that we have no ambition in life to be the lap dog of the American presidency and that we can speak as proud Canadians. We will tell the people that we will have a government that cares for people.

We had the Aylmer conference where we had experts coming from all over the world who told us: "Yes, it is possible to take the challenge of globalization but maintain at the same time the social safety net that is the pride of Canada. If you have proud and independent people, you will not have people in misery. They will be able to compete in the world".

The government that we will be forming, if the election comes next year, if this government has the courage to consult the people, will be a government that will maintain the dignity of Canadians while at the same time preparing Canadians, training them, educating them and challenging them to be the most competent, the best educated people in North America.

We can be on top of the world if we have a government that cares for people, that restores pride in Canadians. We will go into the 21st century, as we should do, as a proud, independent Canada which will not be afraid of the globalization in the world, but will remain, as I like to say, a united country in its diversity that will be the envy of the world.

Some hon. members: Hear, hear.

• (1100)

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, in its opposition day motion the Liberal Party talks about the tragic levels of unemployment, the business failures and the poverty in Canada. I can certainly agree with many of the remarks that the hon. Leader of the Opposition made, but I think there are two very major areas that the opposition leader did not touch on and I would like to ask him about.

There are two economic policies that this government has implemented that have destroyed the economy of Canada, that have led to this poverty, that have created the business failures and that have created the unemployment, and those are in the Canada-U.S. trade deal and the GST.

With the trade deal we have seen the loss of manufacturing jobs. Just last week Norsk Enterprises in Quebec said that the trade deal had caused it to lose its business and that it had to lay off more workers. That is the story right across Canada.

We gave away our access to oil and gas. We created a situation where social programs are being undermined through the trade deal. We have ensured that programs like medicare could never be set up again in Canada because of the trade deal. Surely it is the Canada–U.S. trade deal that has created much of the problem that the hon. Leader of the Opposition has referred to. The second one is certainly the GST that has helped to create those bankruptcies, that is destroying small business.

I want to ask the Leader of the Opposition a question. The New Democratic Party has been very clear. The trade deal must be abrogated with Canada and the U.S. and must not be extended to Mexico. What is the position of the Leader of the Opposition on this very profound issue that has created these problems in the economy?

Also the position of the New Democratic Party on the GST is to get rid of the GST. What does the Leader of the Opposition think?

Mr. Chrétien: Mr. Speaker, on the question of free trade our position is clear and has been copied by the Leader of the NDP in an interview with *The Financial Post* three weeks ago. She said very clearly: "We will renegotiate and, if they do not want to renegotiate, we will abrogate". Thank you very much. That is exactly our position.

I agree that this is a badly cooked deal. Only half of it has been concluded. We have seen the case of the electric problems Quebec faces. Now everything is a subsidy according to the Americans and a big failure of this government was not having clarified what is a subsidy.

I am happy to see on the free trade agreement that the Leader of the NDP is in agreement with us. It is a big move. It is a shift in policy in the right direction.

On the GST we have a very clear position. We say that we want to kill the GST, but we will come forth with an alternative. Not like NDPers who say that they will kill it. What about the $25 billion? They say they do not know where the money will come from. We will have an alternative. If the GST has put $20 billion into the coffers, we will find $20 billion to replace it. That is the only responsible way to do it. We will get rid of the GST but we will have to find a clear alternative because we will be responsible. We will not be like the NDP.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my question is for the member for Beauséjour.

Trust is the central issue in public life today. Canadians are saying from coast to coast to coast that they do not trust their politicians. What assurances can he give the people of Canada that the Liberal Party of Canada will have a value system that people can trust?

Some hon. members: Oh, oh.

Mr. Chrétien: Mr. Speaker, I think that it is a very good question. It is a very important problem in Canada today.

Ms. Copps: The NDP thinks it is funny.

Mr. Chrétien: The NDP laughs at it. It promised that it would get rid of the GST and it put nothing in the window instead.

Trust will come when we say we will get rid of the GST and we have an alternative. This is responsible government. This is what we will offer to the people. We will not try to buy votes because people do not want to sell their votes. They want an honest government. They do not want the repetition of what this government has done to this nation, making promises and breaking them all the time.

We say to the people that we will not buy their votes. We will be truthful to them. We will have an honest government. It will not be a government riddled with scandal like the one we have now. It will be an honest government that will call a spade a spade, and the people will have confidence in us. We will restore faith in the institution.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I too would like to congratulate my leader on his first anniversary back from his electoral victory in Beauséjour. I would also like to congratulate him on what I consider to be an excellent and passionate speech. I believe it clearly outlined the concerns felt by millions and millions of Canadians from coast to coast to coast.

What is also important about the speech of the Leader of the Opposition is that it clearly accentuated and punctuated the differences that exist between the political parties in Canada and the clear and the precise economic agenda that the Liberal Party has proposed to Canadians.

My question to the Leader of the Opposition concerns the high unemployment rate among young people. In this country 400,000 young people in total are unemployed. I would like to ask the Leader of the Opposition to comment on this extremely important national issue.

Mr. Chrétien: Mr. Speaker, this is the future of tomorrow that the hon. member for York North has raised, what we have to do. It will be the challenge of Canadians. We have to become the best educated and the best trained people in America. We can do that. In order to do that we will have to invest in the youth of Canada. We will have to invest in education and in training. We will have to work with the provinces to have a collective goal.

Yesterday I noted progress. Almost all provincial governments agree to have a kind of national standard for education among themselves. Unfortunately only the NDP Government of Saskatchewan disagrees with that.

Some hon. members: Oh, oh.

Mr. Chrétien: I do not know why only one government does not want to give an okay. The Quebec government recognizes the need to make all Canadians very competitive. We have to be educated in order to be as good as the Germans and the Japanese, but one government has refused to do that. It is the NDP Government of Saskatchewan.

It was not a Liberal government because we all believe in the youth of Canada. The youth of Canada is the future. We will invest in them because they will make this country the best in the world.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the hon. Leader of the Opposition seems to think because he says something it is true. If he were consistent and said the same thing maybe Canadians would think it was true too. He needs to be consistent about it.

The Leader of the Opposition mentioned that he had been elected a year ago. I congratulate him on that. If he had been here, he would have heard the alternatives that the New Democratic Party has put forward consistently on the GST. We are the party that has come forward with the alternatives on the GST. The hon. Leader of the Opposition knows that very well. We are the party that has consistently said that we will abrogate the trade deal. It cannot be renegotiated.

I say to the hon. Leader of the Opposition: Why does he not have the guts to stand up to the Canadian people, be honest with them and say the same thing, that this deal must be abrogated?

• (1110)

Mr. Chrétien: Perhaps I was not nice to the NDP. She is quite upset. Probably the best thing I can do at this moment is to offer her a happy Christmas and New Year, but the reality is that what I said is all true.

Indications yesterday were that it was only the NDP Government of Saskatchewan which opposed. Look at what the NDP Government in Ontario has done to the electorate there, breaking every promise.

We are responsible. We want to get rid of the GST and will have an alternative which will not be like them. On the free trade agreement I have to repeat that it gave me a lot of pleasure when she met with *The Financial Post*. She said: "We will just adopt the Liberal policies". Thank you very much, madam, *et Joyeux Noel*.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I must say I am enjoying very much the family feud that is going on. It is very enlightening. We have all garnered a certain amount of information about the formulation of policy and how it actually is formulated, sort of on the run and in the House of Commons.

The hon. member and the member for Broadview—Greenwood talk about trust. The Leader of the Opposition says: "We will scrap the GST and, trust me, I will bring in an alternative".

Well, he is going to have to get a little more specific than that. Oh, I am sure he will. Him and Preston Manning will certainly be able to give us a lot of enlightenment on that one.

Yes, it is the Christmas spirit. Yes, it is. I thought for starters that one would want to look at the record of a government of which the hon. Leader of the Opposition was a member. I just took a quick survey and 10 years ago today interest rates for an ordinary businessmen were running at about 18 to 20 per cent. He talks about spreads. I can tell you, Mr. Speaker, the spread between the Canadian prime rate and the United States prime

rate is about half of 1 per cent. The Canadian prime rate, the lowest in 18 years, is at 8 per cent. The American prime rate is at 7.5 per cent and if you want to go to three-month commercial paper, that spread is about 2.6 per cent. It hovers between 2.4 per cent and 2.6 per cent.

I think that factually the hon. Leader of the Opposition was wrong.

Let us look at the unemployment rate. It was running at about 11.2 per cent. The inflation rate was at 12.6 per cent, and what happened in the third quarter of 1981? The GDP fell by 3.5 percentage points. There you have a situation where this member is condemning the federal government for its economic mismanagement and all we saw during the time that he was a member of that government of which I spoke. We had our fill of fiscal irresponsibility and structural suffocation. That fiscal irresponsibility is placing a heavy burden, an undue burden, on all Canadians in terms of our ability to cope with a burden of debt and the cost of servicing that debt which is costing Canadians 35 cents for every taxpayer's dollar that they provide to the Government of Canada.

Let us review a little more of the record of the Leader of the Opposition while I have his attention. He condemns this government for fiscal mismanagement. When he served as President of the Treasury Board between 1974 and 1976, in two short years he spent—

An hon. member: You're shameless, absolutely shameless.

Mr. Mazankowski: Mr. Speaker, if you want to give the hon. member a chance to speak I am sure that we can organize that.

Mr. Speaker: The hon. member may very well seek time to speak but the hon. Minister of Finance has the floor and I know members would want to extend the courtesy of hearing him.

Mr. Mazankowski: Mr. Speaker, in two short years, between 1974 and 1976, he presided over a spending increase of 33 per cent and then he said at 16 per cent, when he increased the spending for one year, that that reflected great restraint.

In Mr. Macdonell's Auditor General's report in 1974–75, he said this, and I quote:

> The present state of financial management and control systems of departments and agencies of the Government of Canada is significantly below acceptable standard of quality and effectiveness.

In September 1976 he wrote, and I quote:

> I am deeply concerned that Parliament and indeed the government has lost or is close to losing effective control of the public purse.

That is the background around which we have to restore the fiscal integrity of this country and restore management. Again, giving an example of his managerial prowess, in a strike where public servants shut down the grain transportation sector for 31 days, he settled for a 29.25 per cent increase and he called that leadership.

Let us talk about the deficit when he was Minister of Finance. In 1977, the deficit the previous year had been $6.3 billion. The spring budget he brought in was to be a $7.2 billion deficit for 1977–78 and it ended up being a $10 billion deficit, a 70 per cent increase.

His next budget was a 30 per cent increase above the earlier one. That is where we got into this treadmill of spending. You know, spend today and borrow for tomorrow and place the burden on future generations.

He talks about the control he had over the Bank of Canada and how he manipulated the exchange rate. Well, here are some quotes out of *Hansard* that clearly demonstrate the opposite of his allegation that he had just presented to the House of Commons. He said on February 27, 1978, in a speech to The Canadian Club in Montreal, and I quote:

> Market forces should continue to determine the appropriate exchange value for our currency.

Another quote in *Hansard* at page 1222, November 17, 1978. He said, and I quote:

> We do not intend to fix the rate of the Canadian dollar. The rate will be fixed by the market.

And then another quote, in which he said the following:

> Our monetary policy is set by the Governor of the Bank of Canada and I do not intend to ask him to change his policy.

That quotation is from *Hansard* page 1635, December 7, 1977.

What the hon. member is saying here today is all hogwash. He talks a good line. He said something when he was sitting over here on the treasury benches. He had one position. Now that he is over there on the opposition benches he clearly has another position. That has to be taken into consideration as we focus on this particular debate.

There is no question, and no one can argue with the fact that the economy is emerging from a very difficult period. It has been a painful period for many Canadians. Coming out of a recession and through a period of transition where we see the need for a structural adjustment and change has placed very severe difficulties upon all segments of the Canadian economy.

I indicated in my appearance before the House committee last month that the recession had been a little deeper than expected and that the pace of recovery had been somewhat slower than we had anticipated. However, one has to view this in the changing circumstances that have occurred throughout the world. The world economy, for example, as I have indicated on many occasions, grew by some 2 per cent in 1990. It will grow by a meagre 1 per cent in 1991 and it is expected to grow something around 3 per cent or less in 1992. As a matter of fact, I have before me a headline from *The Ottawa Citizen* which says that the world economy is at its worst since 1945.

The growth rate of 1 per cent in 1991 has been the worst since 1981 or 1982. One has to look at the Canadian situation in that context and I have to remind hon. members that all industrialized nations have been revising their growth projections downward. I also have to advise hon. members that the only two countries that will experience an improvement in the unemployment situation in 1992, according to the Conference Board of Canada, are the United States and Canada. All other industrialized countries, particularly those in the G–7, will experience an increase in unemployment during 1992. I say that because we are going through difficult times and Canada is affected by it because we are a global trader, a world player. We cannot deny that.

• (1120)

There are some positive things that are occurring. I think they have to be recorded and that hon. members have to be reminded. Inflation has dropped significantly to just 1.6 per cent on annualized basis over the last six months. That is the lowest in 20 years.

I talked about interest rates. The prime rate at 8 per cent is the lowest rate of interest in 18 years. That is a remarkable achievement. There are other positive indicators on the horizon that came out in the third quarter annual accounts.

The corporate profits are strengthening. You need corporate profits if you are going to have investment in plant and equipment. They increased by 15 per cent on an annualized basis. The latest data indicate that personal income rose by 4.4 per cent over last year and personal disposable income by 4.6 per cent.

What is also interesting is that the savings rate of Canadians has increased from an average of 9 to 9.5 per cent to about 11 per cent. I have to remind hon. members that every one percentage point increase in the national savings, personal savings, reduces consumption by about $4.5 billion. Put another way, if that saving rate had not increased from 9 per cent to 11 per cent there would be an additional $9 billion out there for goods and services consumption.

It is quite obvious that Canadians are saving more because there is uncertainty and because there is lack of confidence in the economy. That is true, but some day soon that money will be spent.

The goods producing sector is another very important indicator in the third quarter statistics. The goods producing sector increased by 5.2 per cent. The other thing that should be noted is that in a survey by the 300 large corporations that are operating in Canada they had indicated that they would increase their capital spending by some 5.2 per cent in 1992. That too is good news.

Mortgage rates have come down dramatically and a person renewing a $75,000 mortgage will see a saving of something between $275 and $300 per month on his monthly mortgage payments. That is a major decline. That puts additional income in the pockets of Canadians for spending on consumer goods and services.

Housing starts are another important indicator which should bring us some comfort. The increase in the residential investment sector was some 17.2 per cent in the third quarter. Housing starts have been increasing to the level of roughly 200,000 on an annualized basis. The

data coming out are not uniform. The data are erratic, and that is not unusual coming out of a recession.

We said in the budget of 1991 that growth would re-emerge in the second half of 1991. Colleagues certainly did not condemn the government for being overly conservative in that projection, but the fact of the matter is that growth re-emerged in the second quarter. It was originally quoted at 4.9 per cent real and in the third quarter accounts that was adjusted upward to 5.7 per cent. That is a remarkable turnaround when you consider that there was a decline of 4.9 per cent in the fourth quarter of 1990 and a decline of 4.7 per cent in the first quarter of 1991. To have a turnaround of 5.7 per cent positive in the second quarter was a dramatic turnaround.

Obviously no one expected that kind of recovery to be sustainable. We did have a lower rate of growth in the third quarter, .9 per cent, but when you average the two you end up with an average rate of growth over a six-month period of 3.3 per cent. I think that is not bad considering the depth of this recession, much deeper than we expected. We expected a peak decline of about 2.5 per cent. It declined closer to 2.8 per cent. The fact of the matter is that the recession accompanied by the need to readjust and to restructure is making this issue much more complicated and much more critical.

I should remind the House that in the early stages of the recovery, going back to 1981 and 1982, we had the similar kind of data coming out that were quite variable. As a matter of fact, in the ninth and the twelfth months of recovery in 1983-84 period we actually had negative growth.

I am just going through some of the quotes of expert analysts and journalists. In the 1982-83 newspapers there are articles on months one to three of the recovery. In a *The Globe and Mail* article by columnist Peter Cook there is a headline "Deteriorating Conditions Suggest a Renewal of Slump". On December 7 there was a headline "Economic News Bad to Worse".

On December 30, two months into the recovery, one read "Few Signs that Relief is Imminent". Again bad economic news predominates. You then get into four to six months of recovery. One headline is "Progress Uncertain in Real Economy. Upturn Begun but Still Weak". On April 6 one headline read "The Rate of Recovery in Manufacturing Begins to Falter." On July 22, 1983 another read "Don't Depend on Consumers Alone".

On August 2, 1983, 10 to 12 months into recovery, the headline is posing the question "Is Economic Recovery Faltering?" We go again to August 31, 1983. *The Globe and Mail* headline was "Experts see Signs of Recovery Slowing". We go on to October 1. *The Star Phoenix* says that the economic news was glum.

We are going through that kind of a situation. The fact of the matter is that we are going to have these kinds of volatile data that will be coming out and that will require explanation.

The fact of the matter is that we still remain confident that growth in 1992 will be something in the range of 3 per cent to 3.5 per cent. The latest survey conducted by the finance department and the private sector forecasts the growth rate to be something in the order of 3.5 per cent.

The IMF's most recent forecast suggests a growth rate of 3.8 per cent. The OECD suggests a growth rate of 3.5 per cent. The Conference Board of Canada suggests a growth rate of something in excess of 4 per cent. By historical standards, this is a moderate to modest recovery.

The fact of the matter is that we must continue to maintain our policy stance of declining inflation and the maintenance of low interest because that will produce the growth and that will produce the long-term jobs.

Inflationary policies which are being advocated by members across will not produce the goods, will not produce the services, will not produce the jobs and will not produce the long-term prosperity for Canada, and history really proves that.

By historical standards we know that this recovery is slow because of our inability, and we do not have the luxury of injecting fiscal stimulus. The hon. member should understand that. We must deal with the issues that are really confronting us. The issues are not only coming out of the recession, but how we can be more competitive and how we can be more productive. In that connection, it requires the co-operation, co-ordination and leadership of all segments of society.

In *The Globe and Mail*, I believe on Saturday, I noticed what the chairman of Ford Motor Company had to say about Ontario's policies. I am not here to pick on Ontario. I only use this to demonstrate the necessity for co-ordinating economic policy in this country. The headline says that our entrepreneurs are afraid to invest in Ontario. Mr. Harrigan said:

> Ontario's economic policies are placing roadblocks in the way of the recovery and scaring away investment.

Frankly entrepreneurs are afraid to invest in Ontario. The auto industry is apprehensive about labour changes that will make it easier to unionize, particularly auto parts companies. A strike at one of these companies would close down operations of the Canadian and U.S. car makers which rely on just in time parts delivery schedules. Eighty per cent of our production is exported to the United States.

I say that we must co-ordinate our policies in such a way that we can meet the challenges we face. Canada is a trading nation. We are the seventh largest trading nation in the world. We must trade to survive.

• (1130)

We must meet the challenge of globalization. We must meet the challenges of improving our productivity. The foundation of prosperity had been rotting away when we came into office. It required some major structural changes such as getting the deficit under control, making those structural changes such as deregulation, bringing about a free trade agreement and trade liberalization, scrapping FIRA, scrapping the National Energy Program and creating an investment climate in which Canadians would invest, in which the skill and the spirit of enterprises could flourish.

This is the kind of framework that we put in place. We have made the structural changes. We are getting the fiscal and monetary fundamentals correct. We have provided the foundation for strong sustainable growth with price stability. That will produce the growth. That will produce the jobs and that will produce security for all Canadians.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, before I address my comments and question to the minister, may I say that this is what Canadians expect from Parliament. This is the best of Parliament today and I am pleased to take my place in this debate in that regard.

I was disappointed in the minister responding to what is really turning people off in this country. We are in trouble in Canada and we expect something better than the exchange of the old clichés between the two ruling parties that represent the same interests which have governed this country for the last 100 years.

We expected some alternatives and specifics from both the opposition and the government because people out there are hurting. It is a cliché to refer to the experts and their interpretations. There are one and a half million experts in Canada on the economic crisis. They are all unemployed. They are experts about what has happened to them and to their families.

One of the major problems, if I may point it out to our friend who wants to quote economists, with the poor is that they do not have enough money. If you cannot figure that out, all the experts in the world are not going to be able to help you or the Official Opposition.

What is the action now? What will this government do today in the face of the fact it promised in the 1988 election that 250,000 new jobs would be created because of the free trade agreement? What is the government prepared to do today to help those people who are waiting for that promise to be fulfilled? What is the government prepared to do today to mobilize the indigenous savings of Canadians rather than lamenting that consumers have dried up?

What is the government prepared to show to initiate the use of RRSPs in an imaginative thoughtful way, to re-establish the infrastructures of our municipalities, cities and towns through municipal bonds? Is this government prepared to do as governments did during wartime crises such as give leadership, succour and comfort to those who are afflicted out there rather than rhetoric and comments about what economists are saying or what editorials are saying?

Finally my question to the minister, the most important question of all is: When is this government prepared to recognize that the polls consistently say it is at 16 per cent? Call an election and, by God, be gone from office.

Mr. Mazankowski: Mr. Speaker, I thought after the preamble that he would certainly not have engaged in political rhetoric. I agree it is a serious matter. Stick

around. There will be an election and I hope he is ready at the time.

He talks about me using clichés. When we are addressing some of the fundamental problems, fiscal and monetary problems that Canada faces, and laying out a clear plan of how we are going to achieve the fiscal targets and the deficit targets, I do not think that is rhetoric and I do not think that is using clichés. I did not quote economists. I did refer to study groups, respectable study groups, like the IMF, OECD, and the Conference Board of Canada.

He made the suggestion of using RRSPs and municipal bonds. I would be very interested if he wanted to impart that information to me. I would even invite him over to my office and we could have a chat about it. I am open to all reasonable suggestions that can contribute to the process. At least I garnered one bit of a constructive element in the hon. member's question. What are we going to do about jobs?

I indicated that we expect growth to re-emerge in the vicinity of 3.2 to 3.5 per cent. Our estimate is that there will be at least 300,000 new jobs.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the minister stated that interest rates in Canada were the same as in the United States or so close that there was almost no difference.

With respect, what he was comparing was the prime rates in the two countries, which I suggest is not what the Leader of the Opposition was talking about. He was talking about the U.S. federal funds rate which is 4.5 per cent, at least it was as of yesterday. I understand it fell further yesterday afternoon so the spread is now more than 3 per cent.

The Bank of Canada's prime rate is 7.54 per cent which is an interest rate spread of 3.04 per cent. That was before yesterday's fall in the U.S. rate. The spread has increased and is more than 3 per cent. The traditional spread between these two rates is two percentage points.

The reason for the lack of prosperity is the size of this spread. It is overly large. I agree that interest rates have come down, but they have not come down far enough and I think the minister knows that. I would like him to comment on that and acknowledge that these figures given by the Leader of the Opposition are correct.

I would say to him that I agree with the other part of his comment. There are two reasons primarily why Ontario's economy is lagging. One is the present government in Ontario, which is a disincentive for investment in this province. It is costing us dearly in terms of the anticipated investment that should get us out of this recession, and it is not happening because of the incompetence of the government there. Also it is because of this interest rate spread which he knows is keeping the Canadian dollar artificially high and which is a disincentive to foreign investors, particularly in new plants because it costs more to do business in this country than it should. It is helping drive businesses south of the border and costing us dearly.

I wonder if he would comment on both those and acknowledge that the Leader of the Opposition's figures were correct.

Mr. Mazankowski: Mr. Speaker, I will comment on it. First and foremost Americans do not borrow money from the Fed; they borrow it from the banking system. Canadians do not borrow money from the Bank of Canada; they borrow from the banking system. The differential between the prime rate, which is the differential between the prime commercial bank rate in Canada and the commercial bank rate in the United States, is one half of one per cent. In the United States it is 7.5 and here it is 8 per cent.

The figure normally used for defining spreads is the three-month commercial paper which as of two o'clock yesterday was at 2.6 per cent. It has been hovering between 2.3 and 2.5, considerably down from the 5.65 per cent spread that was in existence a little over a year ago.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, let me ask the Minister of Finance a question.

He has gone through his usual performance today of giving us a great many optimistic statistics. How he can possibly justify, not after seven months but after seven and a half years of Conservative government, that all of the great plans and all of the changes of direction he said had to take place have led to a situation in which 1.5 million people are out of work? We have lost more jobs in the last year than the government promised we would gain from the free trade deal.

Does he not realize that his policies are bankrupt and that he must change those policies so as to put people back to work and make this country start to work together again?

Mr. Mazankowski: Mr. Speaker, if I could influence world economic policy I suppose I would be able to fulfil the suggestion the hon. member has made.

• (1140)

We certainly never denied the fact that Canada was part of the global trading community. We are the seventh largest trader in the world. We are the seventh or eighth largest economy in the world because we trade. We trade very aggressively. Our fortunes are very closely tied to our ability to trade.

We are coming out of a recession, but we are also going through a period of transition in our economy. We are trying to improve our productivity to compete internationally in a global economy. There is a shift from the emphasis on the resource base and manufacturing sector to a more service and more intensive value added sector. All these things are part and parcel of the process we have to go through.

What we have been trying to do is put in place the kinds of structural changes that will allow that adjustment to take place more effectively. Perhaps that adjustment should have started earlier. Perhaps it should have started in the early eighties. We are paying a bit of the price today.

The fact that we had a low dollar in the period from 1976 to 1986 masked many of our competitive inefficiencies. We are going through that structural change today and we must get the fundamentals right.

If you go to the period 1970–73 we had low inflation and an average inflationary rate of 2.8 per cent. You had an average unemployment rate of 4.8 per cent and you had an average growth rate of just under 5 per cent.

Historically the only way that you can have long–term sustainable growth and low unemployment is to pursue the kind of policy we are pursuing. Why does the hon. member not reflect on a little history? Perhaps he will join us and agree with the fact that we are on the right course to provide a framework for sustainable recovery and sustainable growth with price stability.

Mr. Flis: Mr. Speaker, I rise on a point of order. The hon. member for Esquimalt—Juan de Fuca complimented the House on the calibre of the debate this morning on the economy. He said that is what we should be doing, and I agree with him.

I am wondering if I could have the unanimous consent of the House to extend the question period another five minutes because we do not have an opportunity such as we have to question and debate with the Minister of Finance. Five minutes would allow some of the other members to pose a few questions.

Mr. Speaker: The hon. member for Parkdale—High Park has asked for consent to extend the usual period of comments and questions for another five minutes. Is there agreement?

An hon. member: Agreed.

Mr. Speaker: I know the hon. member for Parkdale—High Park would not use up all the five minutes.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, the leader of our party, the deputy leader and I have asked many times in Question Period what the government is prepared to do to eliminate food banks from our society.

One year ago I told the government it had two years left in its mandate and asked if it could give us some plan, some program, that it would eliminate food banks and child poverty from our society. The normal answer the minister always gave was to tell us how many more people are above the poverty line.

That is not an answer. The food banks are growing. The number of children who have to be given breakfast at school is increasing. Now the minister has one year left in his mandate. Could he share with us his government's plans to eliminate food banks from our society? It is a sore point and a shame to all of us in this House if the present government does not eliminate them.

Mr. Mazankowski: Mr. Speaker, it is a very important question and it is a tragedy. The minister of health is developing a program with respect to child poverty. He has so indicated in the House.

It will be going through the normal process. I cannot give the hon. member an undertaking as to when it might be announced, but I can assure him that it is actively being worked on. After it goes through the normal

cabinet committee process, I am sure something will be announced.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, in my former life as director of United Way of the lower mainland, I co-ordinated 32 unemployment action centres that were funded by the government for unemployed workers throughout British Columbia.

It was run by the B.C. Federation of Labour to help workers make the transition from unemployment insurance to welfare at a time when unemployment was lower than it is today. This government withdrew the funding through Canada Employment and Immigration for those action centres. There are still a couple that have managed to survive.

The government has not been able to reduce unemployment to even the levels that we faced when we had those action centres in the early 1980s and has withdrawn the funding. Could the hon. minister please tell us what this government's plans are to help the unemployed make the transition from unemployment insurance to welfare in their communities? Right now there is nothing.

Mr. Mazankowski: Mr. Speaker, I would be prepared to look into the specific matter that the hon. member raised. I remind her that about three weeks ago the Minister of Employment and Immigration announced additional funding for the training and development portion under the Unemployment Insurance Program. He increased that funding from $1.4 billion to $1.8 billion. I am not sure whether this might be covered, but perhaps that is a way in which that might be explored.

I will undertake to look into the hon. member's question. If she will give us further details, perhaps I can have one of my staff members call her office today.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I have a short question for the Minister of Finance.

The tax designs, both personal and corporate in this country, are disincentives to productivity and consumer spending. I believe this government's phase one tax reform did not meet the objectives.

I would like to ask the minister if he will consider another shot at corporate and personal income tax reforms for the next budget.

Mr. Mazankowski: Mr. Speaker, the difficulty with tax reform is that it creates uncertainty. We have had so much of it that we have been trying to fine tune and stabilize the system.

The hon. member has a unique proposal that he has been championing. I have taken a look at it. The biggest problem I have with his proposal is that if it were to be implemented roughly 50 per cent of the taxpaying Canadians would end up paying more tax under his proposal than they are today.

If that is wrong then perhaps he might be able to enlighten me. We have gone through it and that is what we have ascertained.

If he is asking me whether we are contemplating major and substantial tax reform, the answer is no. We are looking at ways in which we can make the tax system work better. We will hopefully simplify and streamline it and make it more effective in terms of discharging the kinds of approaches that are necessary to create investment, jobs and economic activity.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I appreciate the opportunity to participate in the debate today.

It is important that we in this House are debating the economy and putting forth the kind of alternatives that we as parties propose. We did not hear many alternatives from the government or from the opposition, but what we can see in terms of what is happening to Canada today is that this government's economic policies have failed.

Indeed the neo-Conservative economic policies of both this government and former Liberal governments have led us to where we are today.

I do not believe I need to go on in any great length about the record of this government. Virtually every day in Question Period we raise questions with the government asking whether it will be open to changing the economic policies which are destroying this country. Every day we get the same answers. It is closed to listening to what Canadians have to say and it is certainly closed to the alternatives that this party has put forward. What this government cannot ignore is the 1.5 million unemployed in this country. This government cannot

ignore the other 1.5 million who are on social assistance or unemployment insurance.

• (1150)

The record small business bankruptcies, the record number of farm bankruptcies and the industrial sector in this country that is rapidly disappearing are all characteristics of our economy and are directly related to the policies of this government. Millions of Canadians are living in poverty. One in six children is living in poverty. An increase in food banks and an increase in the number of homeless necessitate action now. The homeless, the poor, the unemployed and those on assistance cannot wait until the middle of 1992 or 1993. They need help now.

When this government was first elected in 1984 no one, not even its strongest opponents, could have imagined the depth to which it would take the Canadian economy. No one could imagine the extent to which this government, which called social programs a sacred trust, would diminish social programs in this country. No one could have imagined a country that had so much to look forward to now has so much to regret.

This government was elected, I might say with some enthusiasm, in 1984. It was returned with reluctance in 1988 and in the next election this government will be turfed out where it belongs for the destruction it has done to Canada.

[*Translation*]

What Canadians have learned in the last decade is that neo-Conservative policies do not work. They do not work with a Liberal government and they do not work with a Conservative government. I am talking about high interest rates, an overvalued Canadian dollar, the trade agreement between Canada and the United States, the GST, privatization and deregulation.

Let us be concise and to the point. Each one of these policies has been a total disaster. All together, they have meant economic ruin for Canadian families. The GST is perhaps the best example of these destructive economic policies. The Canadian Federation of Independent Business has explained how this sales tax is destroying our country's small businesses. It has reduced the purchasing power of consumers, undermined consumer confidence and encouraged Canadians to shop in the U.S.

The GST is the iceberg that is sinking the business sector of our economy. Canadian families may go under as well. If our economy makes it to port, it will be necessary to abolish the GST. Under an NDP government, the GST will be abolished.

[*English*]

The opposition, on the other hand, has been what we could call I suppose unequivocally equivocal when it comes to the goods and services tax. One day it is a tax that is regressive and discriminatory according to its leader. Another day it is a tax that would be scrapped but replaced with something like it. This is a bit confusing to Canadians.

One thing Canadians do know is that the Canadian economy cannot withstand the Conservative GST nor a Liberal GST. We have to scrap the GST, and that is the policy of the New Democratic Party.

Canadians are looking for a fair tax system. The Minister of Finance has just said that in this period of instability it would be difficult to consider major changes in our tax structure. I suggest to the minister that he go to any community in this country and ask the middle income person, ask the families that are struggling day to day to get by, whether this tax system needs to be reformed to create a fairer tax system. The minister will hear Canadians speak out and speak for a tax system that is fair, just and reformed.

The government and the opposition are quick to point out that if we get rid of the GST there must be alternatives. I certainly agree, as does my party. That is why we have put forward a number of alternatives aimed at closing tax loopholes and ensuring that the wealthy and large corporations pay their fair share of taxes.

I heard a member of the Liberal caucus during a debate yesterday suggesting that the idea of taxing the rich is an old idea. I would suggest that member ask someone who is unemployed, someone who is in a food bank line if that old idea is not the best idea and whether is time to do it now.

Just to put forward a couple of suggestions about replacing the GST and funds that could be raised, wealth and inheritance taxes for example which are common in Europe should be implemented. A corporate minimum tax such as is in place in the United States must be implemented.

Canada should put in place similar taxes to tax those who have the ability to pay rather than regressive taxes like the GST. Why do the Liberals and the Conservatives refuse to do this? Why were the corporate loopholes put in place in the 1970s by Liberal governments? They led to the rich not paying their fair share. Why do we have banks making $4 billion in profits and not paying their fair share of taxes?

The answer is quite simple and Canadians know it. Those same banks are those that fund the Liberal and Conservative parties and support those same political parties. It is time for a government that stands on the side of Canadian families, that stands for tax fairness and is not afraid to stand up and say so.

In these difficult times we have banks with $4 billion profits, and we have the highest number of billionaires per capita in any country in the world. This is a nation that is going through difficult times. We have millions living in poverty and, as I have said, many hundreds of thousands dependent on food banks and homelessness is increasing.

Is there anyone in this House who would disagree that those who have must pay their fair share for those who have not been as fortunate.

This is what an enlightened society is about. It is not a phrase we often hear any more, but surely all of us want Canada to be an enlightened society. Surely that must be what Canada is all about.

[*Translation*]

Let us talk about trade policy. Let us talk about the trade agreement between Canada and the United States, and about the hundreds of thousands of jobs that have been lost. These job losses are real. These jobs are now in plants in the United States or Mexico. Have any ministers bothered to go down and take a look recently at southern or southwestern Ontario or Quebec to see what this trade agreement has done to the auto parts industry and the manufacturing sector? I did, and my colleagues went as well. We are not talking about unemployment as an abstract concept. We are talking about people's lives, about families without jobs, about families who are looking for jobs. We are talking about families whose future is bleak. The plants that are closed will, in many cases, stay closed. These job losses are permanent. That is what this government has done, to its everlasting shame.

[*English*]

The solution according to the government is to expand the trade deal to include Mexico, to take a bad deal and make it worse. Again the Liberal position on the trade deal with the United States is confusing at best. The Leader of the Opposition, I believe, changed the party's position from ending the trade deal with the United States to renegotiating certain aspects.

My caucus, my party and I remain firm. This deal has cost hundreds of thousands of Canadians their jobs. It has undermined social programs in this country. It has meant that we cannot even use our own oil and gas resources in a way that is favourable to our economy. The deal must go and must be abrogated.

• (1200)

I understand that this is not the position of the Official Opposition. On a continental deal with Mexico the Liberal Party appears to see negotiations toward an agreement with Mexico as an opportunity for Canada.

In a letter to a member of the public, the international affairs critic for the party who is the member from Winnipeg wrote: "The current North American free trade talks have given us a new window of opportunity where the government can insist on provisions which would safeguard the Canadian people and economy".

"Insist on provisions". They sold Canada out in the first place. Are we going to give them a second chance? The New Democratic Party says there are no second chances to sell out Canada.

A North American trade deal of the kind proposed by this government would be a disaster for Canadian workers, for many American workers and for Mexican workers.

A few weeks ago there was a policy conference by the Official Opposition which suggested a significant shift to the right to these same neo-Conservative policies that have led us to the poverty, to the declining business and to the bankruptcies that we see today.

Globalization is a fact of life. We all agree with that but that does not mean that we have to accept neo-Conservative prescriptions on how to deal with globalization.

It does not mean that we have to embrace free market policies without any rules at all by governments in power.

There are two ways to approach globalization. One is to let it happen and accept all of its negative effects. The other is to work to ensure that greater international competition does not come at the expense of the workers of the world, of the families of the world and of the natural environment of this world.

The Canadian government's attitude seems to be that because many of the world's trading nations have a six-day week, 60-hour work week and $1 an hour wages we must diminish our own standards and wages in order to compete.

The Minister of Finance said again today that he does not like Ontario's proposal that there would be greater unionization of workers, greater powers for the workers. These are the very same workers who build this country and who are productive but who are suffering from a federal government's economic policies that have made it impossible for Canada to compete in many sectors.

Because of those nations that have weak environmental standards this government says that we have to reduce our environmental regulations in order to compete. That is obviously destructive and futile. It is also unnecessary.

What we can do in the face of globalization is establish international ground rules that ensure that workers are not exploited, that social programs are not destroyed and that the environment is not devastated.

The social charter that just this week the European community is discussing is an example of such ground rules. It is interesting that both the Liberal and Conservative parties have shown absolutely no interest in either national or international social charters. The government persists in saying that trade agreements are commercial agreements: they do not involve or affect people, they do not affect the workers and they do not affect the government. That is rubbish. At least the people of Europe recognize that.

There is one opponent of course in the EEC to a social charter and that is the Prime Minister of Britain. Mr. Major is opposed to the European charter because it would enforce a 48-hour week, break periods during work, a 14-week maternity leave, and consultation between employers and employees.

Colonialism in a geographic sense has been dead for a long time. I regret that the Prime Minister of Britain thinks that he can continue to entrench Thatcherite and Reaganite policies on the rest of the workers of Europe. Canada should be taking the lead to say we will not do that in our trade agreements and we will support a social charter.

We all agree that Canada must indeed be more competitive, but we can meet the challenge of globalization in my view in a positive way. Let us not look at it as an opportunity to reduce our rights and our freedoms but to enhance those of the exploited people of the world. No one should have to work a 60-hour or 70-hour week. No child of 12 should have to work. No family should have to live next to a toxic dump.

Let us make Canada more competitive. Rather than reducing standards and cutting money to education, health and social programs, and rather than perpetuating double digit unemployment, let us look at investing in people and putting people back to work.

Investment in education, job training and research in new technologies is just that. It is an investment. It creates opportunities. It creates jobs. It creates growth and in doing that it will mean debt reduction. Jobs must be a priority. Economic decision making must include social groups, labour, business and government.

This is what the world's most successful economies do and this is what Canada must do. Rather than imitating the world's weakest economies Canada should follow the course of the world's strongest. Instead of competing against the world's worst, let us aim to be the world's best. Let us be the world's best.

Finally I would like to put forward an amendment to the motion. The amendment reads:

> That the motion be amended by adding the following words:
>
> "unparalleled since 1982".

Mr. Speaker: The House has heard the motion of the hon. member for Yukon. On questions and comments, the hon. member for Broadview—Greenwood.

Mr. Dennis Mills (Broadview—Greenwood): I would like to say through you, Mr. Speaker, to the Leader of the New Democratic Party that there are many things she said in her address today that I agreed with. We in the Liberal Party support a priority on full employment. We also are addressing the issue of fairness in the tax designs of this country. She brought forward in her proposal, if I understood her correctly, that she basically wanted to get the needed revenues from wealthy and major corporations.

I have stood in this House many times and have acknowledged the fact that close to three years ago there were 6,200 people in this country who made in excess of $500,000 a year and did not pay any personal income tax. That is wrong. There were 2,200 corporations three years ago with retained earnings in excess of $25 million that did not pay any tax. I think that is unfair as well.

But if we were to put the emphasis on taxing those rich people, those people with wealth and those few large corporations that are left, it would not generate enough revenue for the Treasury to meet all of the social programs that are required to meet the lifestyle we want in this country.

• (1210)

Here is my question to the Leader of the New Democratic Party: What specific tax designs does she have in mind to raise or generate the funds required to operate this country beyond just taxing the few rich who are left in this country and the few large corporations that are left?

Ms. McLaughlin: Mr. Speaker, I presume the member is not suggesting that the wealthy should not pay their share of tax. He did say that there are number of people who are not paying their taxes. We are agreed on that.

In terms of alternatives let me mention several. I mentioned a minimum corporate tax in my comments where about 60,000 profitable corporations are not paying any tax. It is clearly not just. Most Canadians recognize that very clearly. Corporations should be paying their full share of taxes.

Second, there are a number of tax loopholes for those in upper income brackets. As the member mentioned there are many with incomes over $500,000 who do not pay any tax. Clearly that is not just and we must close those loopholes.

There are other taxes. There is a tax on wealth similar to that in Europe which has certainly proved to be efficient in raising revenues and certainly is not oppressive to those in the middle income range because it is only dealing with those in very high capital and income brackets.

We talked about getting rid of the $100,000 lifetime capital gains exemption. Clearly this benefits those who have money. It takes away tax revenues from those who need the funds and detracts from redistributing income in our society. This is one of the very important tasks of any government.

Consider the entertainment tax which costs Canadian taxpayers a billion dollars in tax revenue. Any government has to choose priorities. Surely the priority cannot be that someone gets a tax write-off for a box in the SkyDome or for business lunches rather than kids getting lunches and having the opportunity to eat. That is the trade off we are talking about.

The hon. member also spoke about tax options. Those are three I have mentioned. As the hon. member knows there are many billions in taxes that are uncollected. He will remember that just a couple of weeks ago the government, not to the surprise of any of us in the New Democratic Party, discovered billions of dollars in uncollected corporate taxes. We suggest that even under the existing rules the quantity of taxes that could be collected are not being done. This has been reinforced time and time again by the Auditor General of Canada.

Finally I would like to comment on the hon. member's point about full employment. I think he is quite right that in this society we need full employment as a goal. What that means, having adopted that as a goal, is that we structure our training programs and research and development toward that goal.

The unemployment rate for young people in this country is a tragedy. A country that cannot offer a future to its young people certainly is not going to have the confidence of Canadians who are young or old.

The New Democratic Party has long advocated a policy of full employment. We continue to advocate that. We believe it can be done, but it requires a different set of attitudes as well as concrete programs in training and education and income support.

Mr. René Soetens (Ontario): Mr. Speaker, I too would like to ask a question of the hon. member for Yukon who is the Leader of the NDP.

I did listen to her presentation. I certainly must congratulate her in one sense because she did present a very clear alternative to the system we presently have with the government I am a member of.

I would like to come to the point. In the riding of Ontario that I represent members of the business community are very demoralized. They are afraid to invest their money in new plants and new equipment. They are not afraid to invest in other parts of Canada. They are afraid to invest in my riding and in the province of Ontario. Part of the reason they are afraid to invest in Ontario is because of the dramatic increases they are seeing in social programs.

The member opposite in her presentation said that the Government of Canada or the Conservative Party or the Liberal Party was funded by the banks and the large corporations. There is no doubt about the fact that the unions in this country fund the NDP. In Ontario we have an NDP government that has brought forward union legislation. That has been tremendously discouraging to the investors in the province of Ontario and has clearly given advantage to the unions. The end result is that it has been a direct attack by the NDP government on the investors who would improve the economy of Ontario. Yet I have listened to the member say in public statements that she supports the policies of the Government of Ontario and would implement similar policies.

Now my question gets down to the final point. I met last week with a manufacturer who is in the process of announcing and will announce in the next two weeks a $100 million expansion of manufacturing capacity in Canada. This is in another province, even though he and his company are headquartered in my riding in the province of Ontario. He blames it squarely on the NDP policies of the Government of Ontario.

I have a question for the member. She stated that she supports the policies of Ontario. Heaven forbid if she ever forms a government in this country, but would she carry on the same policies that her party has in the province of Ontario?

Ms. McLaughlin: Mr. Speaker, I would suggest to the hon. member that he look at the polls. The fact is that over 40 per cent of Ontario people support the Ontario government. He might want to look at how many support the Conservative Party in Ontario. The reason they do not is because the Conservative Party federally and provincially, but particularly federally at this point, has caused unprecedented unemployment in Ontario. I think almost one in ten people in metro Toronto is living on some form of social assistance. This happened long before the New Democratic government.

This federal government insists: "If you just wait long enough we are going to help you out". The churches used to ask us to wait for the afterlife. Now it is the Conservative Party. There are poor people out there. There are hungry people out there and thank God they have a government like the Ontario government that cares about them and that has put in some policies to care about them.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I was impressed by the serious proposals given by the Leader of the New Democratic Party with specific alternatives. Even the government's spokespersons and others recognized that.

In the country right now there is disillusionment with politics and politicians. The Leader of the New Democratic Party says she will bring in a minimum corporate tax in this country, there will be succession duties and there will be the elimination of the GST. Can she tell us a timeframe? What record can she point to besides socialized medicine and other efforts by the New Democratic Party to lead this country rather than follow blindly behind?

Ms. McLaughlin: Those are very excellent questions from my hon. colleague. Certainly if I were to start listing the excellent contributions that New Democratic governments have made to this country it would be a very long list.

I should mention the record of my colleague from Esquimalt—Juan de Fuca when he was the premier of British Columbia. He too established programs that were in the interests of the people of British Columbia. He took hold of that economy and said: "We are going to put in measures that benefit the people of British Columbia and in turn benefit this country".

My colleague asks about timetables. Clearly it is the policy of this party to bring in a fair tax system. In the 1960s the Carter commission had many good suggestions that Liberal governments refused to look at and Conservative governments have failed to look at. We have the alternatives. Tax reform is a priority. A fair tax system is the priority for a New Democratic Party. I can assure my

colleague and I can assure Canadians that will be one of our first priorities as government.

Mr. Milliken: Mr. Speaker, I rise on a point of order. I wish to indicate that the speakers henceforth from the Liberal Party will have 10-minute speeches. Our times will be split into two 10-minute speeches, each with five-minute question and comment periods.

• (1220)

An hon. member: Oh, oh.

Mr. Milliken: I will ignore the comment by the hon. member. He is trying to suggest our policy is split, but it is not as badly split as the party on my left.

I think you will find unanimous consent in the House to sit through the lunch hour. In other words our scheduled adjournment hour of 1.23 will be moved to two o'clock. I think if you ask you will find unanimous consent for that, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): Hon. members have heard the terms of the motion. Is there unanimous consent to extend the length of speeches during the lunch break?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): The hon. member for Ottawa West for 10 minutes.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the comments I have to make in the next while are very much comments on paradise lost and a bit of despair that we are ever going to see paradise regained.

I want to talk about the code words of the years since 1984. I want to talk about the code words that have become empty words, hollow words, unkept promises and failed dreams for Canadians. I want to start with the most famous of the empty words that we have heard from this government and this Prime Minister about jobs, jobs, jobs.

Unemployment in this country right now is affecting 1.5 million people. That means there is virtually nobody in this country whose family, friends, neighbours are not touched by the devastation of being without a job and adequate income to provide for one's family, survival and comfort.

Unemployment has been accompanied by a dramatic increase in the number of bankruptcies and is partially the result of a dramatically increased number of bankruptcies. This government that came into office promising that Canada was open for business does not understand small business. It does not understand that 80 per cent of the new jobs in this country come from small independent Canadian owned businesses. Its policies have been devastating to those very businesses that are essential if we are to get Canadians working again.

On a larger scale, we have now lost .5 million manufacturing jobs. The number is bad enough but nearly one-quarter of the nation's manufacturing capacity is gone. It has gone in a very short period of time as a result of the policies of this government.

Getting Canada working means getting Canadians working again. Canadians working means people have income, are paying taxes and are able to buy goods and services that create jobs for other Canadians. It means a drop in the number of people who have to turn to government to help them through these difficult times with unemployment insurance and social services programs.

Jobs, jobs, jobs are empty words, hollow words for millions of Canadians today, and for more that 1.5 million over the course of this year. It is especially devastating when we know the extent to which it is affecting young children. This should be a happy time of year, but families are worried about their very survival and are unable to celebrate and join in sharing the joy of the season.

I want to talk about the other code words: globalization, competitiveness and free trade. Canadians know nothing is free and they are only discovering now how much free trade is costing us.

I remind the government that when it did its predictions on free trade and the benefits, not too many Canadians believed them. But the government believed, even it knew that any benefits to come from the free trade agreement were based on a dollar that was at maximum 85 cents.

For every one-hundredth of a penny the dollar went over 85 cents would in fact be negative effects of free trade. Yet it has consistently allowed the dollar to go and stay close to 90 cents.

The high interest rate policy of this government has devastated Canadian businesses and manufacturers. There have been 33 new taxes since this government has come into office. We now have a trade deficit for the first time in 15 years. There is a trade deficit in manufactured goods. No wonder we have lost so much of our manufacturing base.

Even more importantly we have this attitude that somehow straight raw market forces are what builds a country and what will let us get out there and compete and prosper in the global community.

That has been the philosophy of this government since 1984, and we are not prospering. We are not growing. We are not competing. Instead we see an attitude of freeing capital to move anywhere it wants in the world. The government is seeking out the cheapest labour and resources and is more concerned about helping those global dollars than helping their people.

We see that as the attitude of this government. We are seeing a new economic colonialism that is prepared to say that those who have least in any country in the world will have even less than they have now.

The third code word I keep hearing from this government which has no substance behind it is that people are our most valuable resource. If that were true then why have we seen a cut in unemployment and a cut in services to help people when they are going through difficult times created by this government's made-in-Canada recession?

Why have we seen hundreds of millions cut from training? Why have we seen no worker adjustment programs? Why have we seen no move on a good national apprenticeship programs? Why have we seen the devastation of science and research in this country so that our bright young scientists have to go south of the border or elsewhere in the world to use the talents that we as Canadians have paid to develop in them? Why can a bright young man with a Ph.D. and years of aeronautical experience in Canada not find a job and contribute to the growth of Canada and to our future?

Why do we now see in Ontario, the richest province in this country, an increase in welfare payments of only 2 per cent when inflation is 4 per cent and more? It is bare subsistence living for tens of thousands of Ontario families.

We are told: "Do without social programs. Do without education. Do without medicare. Do without training. Do without many of our social programs so that we can build an economy and have those things in the future". We see the doing without, but we do not see much of the future.

I want to speak briefly about the fourth code word, sustainable development. We know that our economic prosperity depends on the preservation of our resources. There is no area of economic growth or prosperity that does not depend on natural resources.

Yet we have a government that produces a well developed proposal for an economic union, but totally ignores the fact that sustainable development means integrating our environmental planning with our economic planning.

We have a government that is negotiating a new free trade deal, an economic instrument if ever there was one. It is refusing to integrate environmental considerations with that economic agreement.

I want to close briefly by talking about an experience I had a couple of weeks ago when I spoke to a small group of immigrants. A gentleman from El Salvador who has been here for about five years said to me: "What we cannot understand is why you have a government that keeps destroying things instead of building things".

• (1230)

I said: "You know, you just turned on a light in my head because all of you in this room have been in Canada less than seven years. You have never known another government besides the Conservative government. Let me tell you about when we had governments in this country that created medicare, that created the Charter of Rights and Freedoms, that created pensions and indexation so that people could live decently, that created unemployment insurance, that created legislation that protected workers". We had that kind of government in Canada and we will have it again when a Liberal government is returned to office. There is no hope for any improvement with this government.

Mr. René Soetens (Ontario): Mr. Speaker, it is a pleasure to ask this member a question because she talked about the group she met with which had only been in Canada seven years and had not known previous governments. She went on to explain some of the things that previous governments had done.

I wonder if she proceeded to identify that the previous government forced an inflation rate in this country substantially higher than that of the United States and that the previous government put in place a National Energy Program which desperately attacked the wishes and needs of western Canada. Did she talk about a government that caused interest rates to climb to 22 per cent, that caused mortgage rates to climb so high that thousands upon thousands of people lost their houses because of the economic policies of a Liberal government that she was talking about? Did she talk to those people about the $200-odd billion debt that was created by that previous government in financing all of those many things that she took credit for in her presentation?

I am really curious. Was the member honest with the people when she talked about previous governments and the mess they left this country in? If they had not been stopped on the track they were on then, I hazard that many of us today would not be in this Parliament debating in such an open and free fashion the economic prospects of this country. We would be presently run by the International Monetary Fund and the World Bank because under the policies of the government that she says was so great in the past we would have lost all control over all economic decisions. I wonder if she explained that to the people she was meeting with the other night.

Mrs. Catterall: Mr. Speaker, I wonder if the member could tell me which of the programs and policies he is disagreeing with. Which does he not think were worth Liberal governments doing? Was it medicare? Was it the Charter of Rights and Freedoms? Was it pensions with indexing so people are not poor in their old age? Was it unemployment insurance? These all seem to be programs that his government seems determined to get rid of.

I suspect also that we should go out and ask Canadians whether they preferred the kinds of programs that Liberal governments had over the years or the kinds of programs that his government is now doing and whether they felt more optimism in the 1970s and early 1980s than the despair they feel now with this government. I suspect the answers to those questions are in the polls which tell us the government is at a popularity level of less than 15 per cent.

I really did not get into a lot with the group of immigrants I spoke to. I did not get as far as telling them how this government has managed to go through a period of relative prosperity, high employment, positive trade deficit and still more than doubled the debt of this country and more than doubled the amount of taxes these people pay simply to service the debt.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I rise today to debate a very important motion presented by the Leader of the Opposition.

This government was first elected seven years ago on a promise that it would put the economy back on a solid footing and get the national debt under control. I think, if it were not so serious for the future of Canada, those promises would be laughable.

Seven years ago the Conservatives were full of ideas. They were going to give Canadians an unheard level of prosperity. They were going to make Canada competitive with new research and development commitments. They were going to cut the tax burden and create a climate favourable to business and business activity and hence economic growth. So much potential, so much disappointment.

As we survey the economic landscape seven years after, we see the wreckage created by the Conservative economic agenda. We see the industrial heartland of Canada slowly shutting down as plant after plant closes up and heads elsewhere.

We see Montreal, formerly a vibrant manufacturing centre, being turned into a desert where 11.8 per cent are unemployed. We see the farmers in the west and the fishermen in the east being told by the federal government that the cupboard is bare.

There is definitely anger in the land. The farmers, the fishermen and the unemployed are getting tired of this government's indifference and excuses. The government tries to pin the blame on past administrations but after seven years that excuse is wearing thin. After all, its blunders stand alone.

We can look at the national debt. In only seven years the Conservatives took the debt that had accumulated from 1867 to 1984 and nearly tripled it to over $400 billion. That is, I believe, an incontestable example of bad management.

The Conservatives also promised to get the deficit under control. Yet, even though they governed during the record boom years, they never managed to bring the deficit under $28 billion. The Tories can come up with all kinds of excuses, but the fact remains that these people who were elected because they were perceived as competent money managers could not get the deficit under control even in the boom years of the mid-1980s.

They could not get the deficit under control despite massive spending cuts and tax increases which have resulted in an additional income tax burden of $1,500 per Canadian family. Even the GST, which has done so much damage to business and consumer confidence, has not brought down this deficit.

There are many other examples of their economic mismanagement. In September Canada suffered its first trade deficit in 15 years. For a country like ours which is so dependent on trade, that is cause for alarm. Last month the Canadian economy lost another 49,000 jobs. This was added to 1.5 million Canadians who are unemployed, but it was not reflected in the unemployment rate because 45,000 Canadians left the labour force. In other words, things got so bad for them for so long that the people's UI is running out and they are giving up and joining the welfare rolls of this country.

Speaking of people giving up, what of the 250,000 manufacturing jobs which have vanished since 1988? In the 1988 election the Prime Minister told Canadians not to worry about free trade because there were going to be adjustment programs for displaced workers. Three years later those programs are only on paper.

Conservative mismanagement is easy to explain. They have no coherent plans. They have no master plan, no innovative plan to deal with the emerging global marketplace. The old ways of doing economics, raising taxes and cutting spending are no longer enough to deal with the new creative approaches used internationally.

I do not think that their strategy will make Canada globally competitive. It is no wonder that as a nation we are faring so badly. On the other hand, I must say that there is an answer and the Liberal Party of the 1990s has a clear, precise and well planned agenda for rebuilding Canada's economy, an economy that since 1984 has been mismanaged to the point of causing unnecessary and irresponsible pain for Canadian small business, individuals, families and entire towns and cities.

We have a set of five Liberal principles on the economy. In restoring Canada's industrial strength, interest rates and the value of the Canadian dollar must be allowed to fall gradually, helping Canadians and their products to compete better internationally. New initiatives are required to promote labour force training, research and development and marketing support.

• (1240)

We must ensure a fair tax system. The Leader of the Opposition knows that the problems of unfair taxation cannot be solved overnight. While it would be responsible to offer tax cuts for everyone, Liberals have called for a fair tax system, especially to the middle class.

We have a comprehensive and creative adjustment policy. A Liberal government would introduce comprehensive adjustment programs to help both firms and workers adjust to the economic changes now in play.

Canada must help its workers to get the training they will need to have high skilled, high paying jobs in industries of the future. We must have balanced regional economic growth. All regions of Canada must be allowed to achieve their economic potential. Future industries should be based on the foundation of our existing resource industries and Canada should be seizing the opportunity in fast growing markets in Europe, Asia and the Pacific Rim.

We must have a fiscally responsible government. Canada's yearly deficits and accumulated debt are becoming an increasing drag on economic growth. The Leader of the Opposition has said that a Liberal government will scrutinize every line item of spending and only use government to do things it can and should do.

In conclusion, I would like to express the disappointment that all Canadians feel with this government's failed economic policies. Canadians, I truly believe, are not asking for too much. They want to feel that their government in Ottawa is fair, that their government is just, and that their government cares about their present state. Canadians want to feel that they live in a nation in which dreams and aspirations are still part of the national fibre. They want to know that their children

and their children's children live with the hope of a brighter tomorrow.

At a time when people need to be taken care of, the Conservative government is abdicating its responsibility to the citizens of this country. I hope the Leader of the Opposition's motion in this House today has rekindled some of the necessary human feelings, necessary human passions, that all governments must possess in order to bring back faith, confidence and trust in a nation that is presently searching for a sense of identity.

It is one year since I was re-elected to the House of Commons. I was really hoping that I could get up in this Chamber and bring good news to the residents of York North. Unfortunately today I have to rise once again and say that the conditions for the residents of York North and Canadians from coast to coast to coast are worse. There is a lack of confidence. There is a crisis in confidence in this country. I think the government must seriously look within itself and find the inner strength necessary to bring about the type of positive changes that will take care of Canadians, particularly those people who are being hit by this unfair and unjust economic recession that has created so much heartache in many families and in many communities.

I trust that the government is listening to the message because it is a message that comes from the people of Canada.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I would like to congratulate my colleague from York North on his re-election.

I want to deal specifically with a question related to the economy. In all of our ridings we spend time when we are home going to the local restaurants. I have a couple of favourite spots. I have a place in the south end of my riding on Yonge Street called the Albion restaurant where I go on a Saturday morning to try to get a pulse on what is going on in the community. I know that the member for York North does the same thing in his community. We are constantly hearing that the tax designs are a real disincentive to growth and achievement in this country. The member lives in probably the wealthiest region in all of Canada. We heard NDPers take some rather cheap shots, I thought, when they said: "Let's just tax the wealthy and that will probably fix all our problems". I do not agree. I think people who pay absolutely no taxes should obviously pay their fair share.

But I would like the member who knows his constituents well to comment on the fact that people are not really against paying their fair share. At least that is my sense of this. Having said all that, they want some kind of a tax design that is going to sort of stimulate productivity rather than a tax design that is going to be a disincentive. I wonder if he would comment for those of us who are in regions of the country that may not be as well off as his. I wonder if he could share with us some of their comments as well.

Mr. Bevilacqua: Mr. Speaker, I would like to thank the hon. member for Broadview—Greenwood for his question, the sincerity of his question. He has been a member of Parliament who has worked extremely hard at devising a proposal that is obviously his own. I know that he has spent a great deal of time thinking about ways and means to have a tax structure that best reflects the aspirations of Canadians. I think he makes a very important point.

The people of the riding of York North like all Canadians do not mind paying their fair share of taxes. They do however resent it if the taxation system is imposed and if it indeed impedes economic activity and growth in this country.

I say to the hon. member for Broadview—Greenwood that the Liberal Party, as it did in the goods and services tax debate, clearly outlined principles that we will adhere to in our tax reform package. These are principles such as simplicity, visibility, fairness, the ability to pay and revenue neutrality. These are principles we are going to stick to.

We are not going to throw them away like the Conservatives did with the goods and services tax. We are going to have a tax system that is going to make Canadians want to get out there and produce and bring about economic growth.

On the point of taxation, I think at some time we are quite parochial in this House to think that the deficit is going to be reduced through an increase of taxation. I think that is unbelievable.

The only way we are going to reduce that deficit is going to be through economic productivity and growth and through having an economy that is going to expand. We have to make the pie bigger.

I am often puzzled by debates in this House concerning taxation, that we are still using this old-fashioned way of dealing with the deficit. What we need are innovative measures that will bring about economic growth and facilitate the process for those people who want to invest in people and indeed in the economic structure of this country. Government should be the key facilitator.

Mr. René Soetens (Ontario): Mr. Speaker, I am pleased to rise to participate in this debate today on the government's record in managing our economic affairs.

Unlike some of the other speakers who have spoken previously and who undoubtedly will follow me, I will speak about the record as it is and not as they imagine it to be.

• (1250)

I would like to remind this House that the government of which I am a member came to power some seven years ago. It inherited a backlog of deficit spending and accumulated debt unprecedented in Canada's history. I suspect if you truly check around the world, on a per capita basis there are not too many countries that saw a growth in their debt and deficit to levels that Canada did. Nothing can wish this record of fiscal irresponsibility away.

It is to the credit of this government that instead of trying to wish the problem away, it has taken some firm action to correct it and I might say particularly in the last three years. It is false and irresponsible to insist that one can spend one's way to prosperity. Instead, the government is taking the responsible course of putting our fiscal house in order as the only sure foundation on which to build the strength of Canada, growth and prosperity.

The facts are quite plain. Canada has a $400 billion deficit. It has a federal debt problem today because during the seventies and eighties governments spent more on programs, public services and interest than they received in revenues. While the deficit grew, rather than cut back, governments spent even more money.

By 1984–85 the government had a $16.5 billion operating deficit just on programs and operations. Add to that another $22 billion in interest costs on the national debt and we had a deficit of $38.5 billion. The government was spending $1.33 for every $1 in taxes that it took in.

The result of that "spend today, pay tomorrow" policy was to boost the national debt by nearly eightfold in just 10 years. It went from $27 billion in 1974–75 to $206 billion in 1984–85. Unfortunately the spending track that the Government of Canada was on was almost impossible for us to get off. In the last six years the debt has almost doubled to a level of about $400 billion.

Since the Conservative government came to office, it has been following a very consistent plan to increase Canada's economic potential. In fact the previous member who just spoke said that the solution is not increased taxation but an increase in the over-all pie. I can tell you that the government that I am a member of is in fact trying to do exactly that.

We have had to attack the debt challenge on two fronts. First we had to introduce fundamental structural reforms to revitalize the private sector and encourage the growth that makes possible new government revenues. These initiatives include deregulation of key economic sectors, tax reform, privatization of more than 20 Crown corporations, the Canada-U.S. Free Trade Agreement and scrapping of the Foreign Investment Review Agency and the National Energy Program. It has provided a more positive investment climate.

The result of these reforms has provided real fiscal benefits. For example no longer are taxpayers footing the bill for de Havilland and Canadair. The spending on those by the end of 1984 had cost the government at least $2.5 billion. Privatization has helped reduce the public payroll by 80,000 in Crown corporation employees. In the post office, government payments this year will be $500 million less than in 1984–85.

In fact I heard members of the NDP, including the Leader of the NDP, speaking a little earlier about minimum corporate tax. I guess what I would ask her is why, when the government introduced the minimum

corporate tax in this House, did her party vote against it? In fact that tax is now in place.

We also put in place a thing called a tax on capital. Why is it then that the NDP party and in fact the Liberal Party voted against those two proposals? They talk about fairness in the tax system yet on those two very specific points both opposition parties clearly voted against them.

We also recognize that Canada's debt burden was itself a barrier to economic growth putting pressures on taxes, inflation and ultimately interest rates. That meant further direct action was needed at the source of the debt problem itself, which was federal spending. We took action.

Under the leadership of the Prime Minister, we established a broad program to control spending. We have made absolute cuts in programs wherever possible and applied severe restraint on growth in other areas. The government has completely eliminated programs on home insulation, oil substitution and heavy water plants. As a result, federal energy subsidies today are $2.4 billion less than they were seven years ago.

We have closed military bases. We have cut back payments to VIA Rail. The size of the civil service has been reduced. It has been difficult but we have made those decisions. That discipline has delivered major results. From 1984–85 to 1990–91 growth in federal program spending—that is all spending except interest payments and debt—has been held to just 3.7 per cent a year. That compares with an average annual growth rate of 13.8 per cent in the previous 15 years.

We have gone even further because we have introduced into this House a proposal in the last budget which is now being finalized by the Minister of Finance, which is a spending control act. This will in fact restrict our arms and our ends and the way government spends money for the next five years.

It is important to recognize that two-thirds of the improvement in the operating balance has in fact been accomplished by expenditure control. Revenues account for only one-third of the improvement. As a matter of fact, government revenues as a share of Gross Domestic Product are no higher than they were in the early 1970s.

Because the government has achieved this operating surplus, the entire increase in the national debt since 1984–85 is due only to compound interest or interest charges on the debt we inherited. The fact is we have to make those interest payments and that means further deficits and still growing debt and the interest charges that debt imposes.

That is why in the February budget there were further measures introduced: first, to hold the deficit to $30.5 billion this year despite the impact of the recession, the agricultural subsidy war and the possible Persian Gulf war expenditures. That was a major accomplishment, in my mind. Second, we plan on getting the deficit down to $25 billion next year for the first time in a decade. We will be setting it on a path where it will continue to fall even further. Third, we plan on eliminating the need for new government borrowings on financial markets by 1994–95. This will be the first time in 25 years that no such borrowings will be necessary by the Government of Canada.

It has been tough and we have got to take some actions. I mentioned we introduced the spending control act which establishes very specific limits on program expenditure growth for the next five years. In fact the finance committee has reviewed that particular spending control act and has made its report.

Nearly all of the increases in program spending over the next two years are concentrated where they are in fact most needed: old age security, unemployment insurance benefits, increases in transfers to lower income provinces and social assistance transfers under the Canada Assistance Plan.

Complimenting the spending control act, we have the debt servicing and reduction account which will ensure that all net revenues of the GST will only be used to service and reduce the debt itself ultimately. That is what Canadians demanded during the GST hearings. That is what they demanded when the GST was put in place. They wanted a guarantee that the government was not going to spend the revenue of the GST on new programs. They have that commitment in the form of legislation from our government.

Finally we established specific inflation targets to get inflation down to less than 2 per cent by the end of 1995. We have seen already that lower inflation is the key to

interest rate reduction. The banks prime lending rate is at the lowest level since the early 1970s. Some mortgage rates are lower than they have been since the 1960s. I can vouch for that personally. We purchased our first house in 1970 and in that entire period from 1970 through until today I have never had a mortgage rate as low as I have today. There are results.

In my constituency, which has substantial housing development going on, even in the recession environment, I can tell you that mortgage rates are very important to my constituents. Lower rates have reduced in fact the cost of servicing the debt.

Good economic management means focusing and facing up to the fiscal reality. It does not mean promising silver bullet solutions, lower interest rates at whim, increased government spending that ignores our destructive debt burden or a dollar lower than the market determines that the opposition is trying to sell the Canadians. Those are just snake oil potions. They are all recipes for enduring competitive weakness and national decline.

We have to keep things in perspective as we look ahead to the challenges that we face as Canadians. We have one of the most prosperous countries in the world with an enviable record of wealth, income and job creation. We have the seventh largest economy in the world. We have the second highest standard of living. In other words, we should recognize and build on those strengths. By holding the course of putting our fiscal house in order, our government has chosen the responsible course. This is one that means we can and will be able to build on strength and not weaknesses. Finally I would like to turn to another vital area where the government has proposed ways to strengthen our economic potential. These are the proposals we have made to improve the working of our national economic union. These proposals would strengthen our economy in two important ways.

• (1300)

Before I list those ways, I should point out that in my riding we have discussions going on about the constitutional proposals that are before the country. Many Canadians seem to come out with the standard line: "Would you forget about the Constitution? Would you deal with our economic problems?" Well, those Canadians obviously have not read the proposals to their fullest, because if they truly look at them they will see that of the 28 proposals out there before Canadians right now, 14 of them deal with the economic issues of this country. That is where we need to make progress, and clearly that is where the government is acting.

I would like to return to my comments about two very specific issues. First we are trying to remove barriers to the free flow of persons, goods, services and capital.

Second, we are facilitating a process of joint decision making by federal and provincial governments on issues where greater co-ordination and harmonization can improve the operation of our economic union. The internal barriers in our domestic market represent a great burden to all Canadians.

The Canadian Manufacturers' Association estimates that the cost to the average family of four in Canada is $1,000 a year because of those barriers that exist. Those are internal barriers, provincial trade barriers operating against Canadians.

To deal with that, we have proposed an amendment of the so-called common market clause in the Constitution. It would empower Canadians, both businesses and individuals, to challenge through the courts government practices that create barriers or restrictions to the free flow of people, goods, services and capital within Canada on the basis of provincial or territorial boundaries.

The effect of such constitutional amendment would be clear and simple. It would provide all Canadians with the right to pursue the livelihood of their choice and economic opportunities wherever they choose to do so across our great country. However, a strengthened, competitive economic union will require more than this. It will also require greater co-ordination and harmonization of policies between all levels of government, but particularly between the federal government and the provincial governments.

In the past, federal and provincial governments have had no mechanisms through which they could work together as partners to implement beneficial economic policies. In the absence of such a mechanism, federal-provincial meetings have often seemed to many Canadians as little more than a tug of war because there was no way to take decisions and no need for anyone to stand up and be counted.

We have to do better. What is needed is a joint decision-making mechanism that will allow governments of all levels, working together, to take actions to improve the efficient functioning of our national economy. To this

end we have proposed a second amendment to the Constitution.

We are proposing that Parliament be empowered to make laws for the efficient functioning of the economic union with, and I stress only with, the agreement of at least seven provinces with 50 per cent of the population. Because of that provision such a power would not and indeed could not be used as a vehicle for a power grab by the federal government.

Unlike other federal-provincial powers in the Constitution, this power could not be used unless there was an agreement between both levels of government. Its application would be restrictive to co-operative measures that improve the functioning of the Canadian national economic union.

It is important to note that many of our international competitors have strengthened their economic unions by transferring powers to central authorities. Ours is a different approach, with proposals that apply to both levels of government. It is a model that calls for co-operation, not domination.

There is another important point I should add. Not only are our proposals designed to improve the way governments work together, but they also reflect the goal of making the whole economic policy process more open and transparent to the public at large.

Canadian taxpayers and business decision makers have a right to be better informed about policy issues, objectives and constraints. More open and better informed exchanges of views between government and the public is an important foundation to improve our economic performance and our ability to work together. Our government is committed to a course of fiscal progress toward the ultimate goal of debt freedom. Surely everyone in this House would support that goal. It is also important that we keep current economic circumstances in proper perspective. We must not allow an unjustified mood of pessimism about our economic prospects to become a self-fulfilling prophecy. We should also recognize that we have made real progress in getting our financial house in order.

Only by sticking to this responsible course can we ensure and fulfil our future prosperity. That is what good economic management really means.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, the member who just spoke talked about his responsible policies and how well they have worked for the country.

If they have worked so well, can he explain why 1.5 million to 2 million people are out of work today and 1 million children live in poverty? If his government's interest rate policy is working so well, why have we seen a drop in new housing starts over the last little while across the country rather than an increase? Surely the member has to take off his glasses and start looking at the world as it really is.

His government's policies have failed and he should admit they have failed as R. B. Bennett did at the end of the last depression, and start changing those policies so that they can address the reality of the fact that we are deeply in a recession and need some action on the part of government to bring us out.

His government's policies have clearly failed. How does the hon. member explain high levels of unemployment, high levels of poverty, low levels of housing starts and economic activities? Clearly he must recognize that his government's policies have failed.

Mr. Soetens: Mr. Speaker, no one can be happy with 1.5 million people out of work. In fact the number may even be slightly higher than that. We cannot be pleased with that. What the member is saying is that you ignore the concepts of debt, inflation and interest rates.

If he would truly look at it, the very people he is speaking about and those at the poverty levels are hurt more by inflation than anyone else in this country. They are hurt more by high interest rates than anyone else in this country.

It is very clear that you need to address the fundamentals to encourage investment. I would like to give him the best quote of all, because we look at some of our neighbours and some of our competitors around the world as doing really well. I would just like to quote him one line which appeared in the December 16 edition of *Fortune Magazine*: "What the economy needs now is not fiscal stimulus. It would send interest rates soaring. A better idea for the long term is to cut taxes on investment and pay the bills".

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I listened attentively to the member for Ontario. I tend to agree with some of the views he presented in his speech.

He did say in his address that the government's inflation target was approximately 2 per cent by 1995. We are sitting here in 1991 with an inflation rate that for the last two months on an individualized basis has been almost zero. Probably by the first quarter of 1992 there will be no inflation in this country. I believe the Minister of State for Finance in this House just yesterday or the day before said that.

This is a very heavy ratchet on inflation. The member knows this causes a lot of pain in the economy. In order to bring inflation to that level this quickly, it is obvious that the results are high unemployment and a nervousness in the constituency in the country, even though there is a low bank rate. It is the lowest in 18 years, I acknowledge that, and people are not spending. There are a lot of retailers out there right now in the busiest month of the year who wonder, because of the drag on consumer spending, whether or not they are going to make it past February 1 or whatever.

My question for the member who sits on the finance committee is: At what point do you let up on that ratchet on inflation, especially when it is zero, to try to let people revive again and get that economy going? At what point?

• (1310)

Mr. Soetens: Mr. Speaker, I want to thank the member for his question.

Presumably his comments about the current inflation rates are correct. The fact of the matter is that in the three years I have been on the finance committee we have done a number of studies on inflation rates and interest rates. There is no doubt there is a direct link between the two.

There are some other things, of course, that impact on interest rates, but inflation is certainly one of them.

Although we have two or three months of inflation numbers that are extremely low, I think what we on the government side are saying in our objective of a 2 per cent inflation rate is a sustained 2 per cent.

I would concur with the member that zero per cent is not sustainable. It is not healthy for the economy to have a zero inflation rate very long. I guess at some point we have to allow the economy some growth. We have acknowledged that in the context of reduction in interest rates that have already taken place.

I personally believe we will see more of that. I hope that will carry on. If you can get that rate down to 7 per cent or 6 per cent, I think consumers across this country will realize first of all that putting money in the bank is not all that lucrative, as was indicated this morning.

There are people saving money right now. The minute they have confidence in the economy, which we think they will have, they will have the resources to spend. They will also be able to borrow money at a very competitive rate which will also boost consumer spending. I think at that point, at a low inflation rate, we will see the economy functioning extremely well. I believe we will see that within a very short term, in the next quarter if not the one after that.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, allow me to congratulate my colleague from Ontario on his excellent speech. I think that he gave a good overview of Canada's past and present situation.

That being said, I would like my colleague to tell me how come the national debt, which was about $200 billion in 1984 when this government was elected, is around $400 billion. I want to ask the hon. member whether it is true that 90 to 95 per cent of the government's annual deficit since 1984 is interest it had to pay on the debt that the former Liberal government left us.

Doing this calculation, I must say that in 1984 I had a $200 billion debt with *x* billion in interest to pay and so on every year since then. All the interest payments made since then amount to the increase in the national debt that we have today.

[*English*]

Mr. Soetens: Mr. Speaker, I want to thank the member for Trois-Rivières for the question.

Certainly prior to 1984 the growth in government debt was tied twofold. First, they were spending more on programs than they were generating in revenue. On top of that there was the interest cost.

Since 1984, if you look at the six-year budgets—I am not sure of this year's number—of the Conservative government, of the over-all growth in debt of the Government of Canada about $15 billion was because the government spent more on programs in total over that six years than it generated in revenue.

The other $185 billion in growth on the debt of this country was in fact directly related to the interest payments we had to make on the $200 billion debt that was there when the government was elected in 1984.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, to the member, I note the figures on small business and personal bankruptcies over the past year have skyrocketed.

The last figures for October show there have been 6,896 businesses and consumers declaring bankruptcy. Of those 1,156 businesses went bankrupt in October, which is 22 per cent higher than last month and 1 per cent higher than one year ago.

How can the member assert that the Progressive Conservative government's policies in monetary and fiscal matters are working when the unemployment rate is so high, poverty is at an unheard of level in this country, and more small businesses are failing than ever before in the history of Canada? How can he stand there and tell the people of Canada that the government's fiscal and monetary policies are working when so many people are hurting so badly?

Mr. Soetens: Mr. Speaker, no one can be happy when you recite numbers of 6,896 people or businesses going into bankruptcy. Yes, 1,156 businesses filed bankruptcy in this country and I presume they were small businesses. That is a terrible number. But what the hon member refuses to acknowledge is that in the last six or seven years there were some 1.5 million new businesses created in this country.

It is unfortunate there were 1,156 bankruptcies last month but we cannot ignore the 1,500,000 that were created in the last six years.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I rise to speak on this extremely important debate, the motion that was introduced by the hon. Leader of the Opposition.

This opposition day motion we are currently debating should be of concern to all Canadians no matter where they live, no matter what their jobs are if they have a job, no matter what their financial circumstances are.

The motion deals with the economy. It deals with the sorry state of affairs this great and wealthy nation currently finds itself in. A little earlier I said this was perhaps the wealthiest and greatest nation in the world. We have been blessed with more resources than any other part of the globe. We count ourselves lucky under God to inhabit this land.

There is a problem and it is not a lack of resources or a lack of ingenuity. The problem is not a lack of caring or wanting by the Canadian public to be productive to have our economy grow and flourish to become more competitive nationally and internationally. The problem comes down to managing that great resource which collectively we all own. That is where the problem is.

This sorry bunch opposite has been in since 1984. I remember 1984. The Prime Minister at that time went around the country with that smirk on his face saying: "Jobs, jobs, jobs". All you had to do was elect Brian Mulroney and his band of Tories and jobs would be everywhere.

In Atlantic Canada he threatened to inflict prosperity upon us. It was a pretty interesting challenge to be taken up.

In 1984 they elected him, figuring maybe he is the best individual to put forward continued liberal type policies of inclusion in the economy, of equalization, of growth of social programs, of growth and increase in our competitiveness and our productivity as a nation.

By the end of 1988 the gig was up. Canadians who had waited with bated breath in every part of this country for prosperity to be inflicted upon them found out there was something being inflicted upon them but it did not start by the letter *p*. It was not prosperity. It was depression. It was regression. It was recession.

In places like the Atlantic which are the first to slip into recession and the very last to climb out of recession, the same as some parts of western Canada, we waited. By the time the dinner tray got to us there were no crumbs left. In 1988 he knew that his promises of jobs,

jobs, jobs was pretty hollow. He and his miracle makers, the mandarins in the back room, and his high priced help from down at the advertising agencies on Bay Street, some even from New York and other places, pulled together a campaign on free trade. Again we were told that the key to the competitiveness and future of the Canadian economy lay with the Leader of the Progressive Conservative Party. He said: "If you come with us, you will be set free because the borders are going to be opened and there is going to be prosperity. The sun is going to shine and in every garden patch there will be a job again". My colleague says big business bought full-page ads. The Canadian electorate were a little confused. It was not sure, and with friends like big business and full-page ads he managed to squeak in again.

• (1320)

The results are pretty sorry. We are three years down the road now and where is the prosperity? Where is the feeling of Canadians that somehow the greatness of this country has not been spent or misspent by this government? There is a mood in this nation which is foul. We do not even know if we want to stay together any more. Can you imagine? We are blessed. We have been put on this planet, on this soil, in a country that is the richest in the world. Now we are even talking about whether or not we want to stay together, if the French can live with the English, if we all can live with the immigrants and aboriginal Canadians. This did not just crop up. It was not some latent racism and bigotry and urge to self-destruct that we as Canadians always carried. It was planted there by this government.

You start to wonder whether or not you can put bread and butter on the table for your children. It is bread and margarine these days. Nobody can afford butter. You wonder whether or not your kids are going to be able to get a university education. You wonder how you are going to be able to manage if you do qualify for unemployment insurance. Then maybe you start to wonder if that great dream of Canada has lost its sparkle and magic.

Let us look at what government members have done to us. They are so smug on the other side here and when we get up to ask them questions they try to slap us down. They do not want to hear what we have to say, but we are speaking for Canadians.

Look at the unemployment rate. There are a million and a half Canadians unemployed right now. There is upwards of another half million, maybe a million relying on food banks. This is Canada, not a Third World nation. But those people have to rely on food banks to put bread on their tables and clothes on their children's backs.

The business community in Canada is a great business community. Small and medium sized businessmen and women of this country have made this country great. It was their ingenuity, hard work, commitment and investment in this country that allowed us to grow and flourish. But government members were not content to let well enough alone in that case either. They crippled them with taxes. They came in with the goods and service tax, and they told every businessman and woman in the country: "Don't worry about it. It is going to be better than the PST, that dastardly dirty old provincial sales tax, that killer of jobs. Trust us once again".

They trusted them, some of them did, but most of them said: "No, we have been misled by this bunch for too long. We were misled on the jobs, jobs, jobs in 1984. We were misled on the free trade in 1988".

Look at the manufacturing sector. There are nearly 400,000 jobs that have been lost because of free trade, most of them in southern and southwestern Ontario. They come with the GST and say: "Trust us. This is a fair way to do a tax". It was pretty damned fair to the 51,000 businesses that have had to declare bankruptcy in the first 10 months of this year. Go talk fairness to them and talk about economic prosperity. They have seen their businesses, their family lives and their dignity crushed. It is not because they did not have the wherewithal or the ingenuity but simply because they could not take another beating by this government through its insane economic policies.

Go talk to the 15,000 Canadians who have had to declare personal bankruptcy in this country in the last 10 months. Talk to them about how great this government has been doing with that fabulous resource called Canada that was entrusted to it. Talk to the retailers who probably do not have any fingernails left.

They have worked their fingers to the bone. They have bitten their fingernails off in every mall and on every main street in Canada. We have not forgotten them on our side. We have been doing our best for them. This

government by its own economic policies has driven the country into recession. The GST has compounded the situation. The GST has done more to cripple the consumers' faith in the economy than anything any government has ever done before. Consumers do not spend. Do you know why? It is not just the GST. They just do not know the next trick this government has up its sleeve to beat them up with. They do not believe this government is dealing in good faith and that it has not abused the trust that was placed in it.

An hon. member: Obsessed by inflation.

Mr. MacDonald (Dartmouth): I could go on and on, Mr. Speaker. Bankruptcies are up. The GST has crippled consumer confidence. There are two million people unemployed. It is even higher than that. What about all those people who are underemployed? How do they feel? Maybe they are watching us live now because they do not have jobs and maybe their cable television has not yet been cut off. That would be the Grinch after Christmas. They sit there. They look at us and they want us to do something. They say: "Stop beating on me".

The hon. member opposite said a few minutes ago said: "We have done the hard stuff". It is easy for us to say that. We make about 100,000 bucks a year in this place. It is easy for us to talk about hard times, isn't it, when the results of our actions is that the poorest of the poor get nailed?

I wish I could speak for days on this. However, all I wish to say in conclusion is that this government has the message. It is at 14 per cent in the polls. Does it have no shame? It has crippled the small business sector and the economy. What we need at this point is either for this government to do a complete turn on its economic policies or to do the right thing and show some sense and decency. It should call an election so that the people of Canada can once again experience hope for the future.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to say to my colleague from Dartmouth that I believe he is right on focus.

So often the people in the country wonder if the opposition only knows how to criticize. They wonder if the opposition has ideas to put forward. Even though the opposition is constantly putting forward ideas sometimes those ideas are not promoted.

I would like to refer to an idea my colleague talked about earlier last week. It dealt with credit card rates in this country.

We all know that when we do have fairness in our system this generates a will to succeed and to be productive. It generates a sense of confidence. When the government stands up day after day in this House of Commons in Question Period it talks about the 8 per cent bank rate. It is the lowest bank rate in 18 years, it says. However we have in our economy close to 50 million credit cards at 18.5 per cent to 19.5 per cent. These 50 million cards are the instruments of purchasing in this country today.

Does he not think, if this government were sincere in trying to give this economy a bit of a kick, that this might be a good time for an Order in Council from this government to do something concrete about reducing credit card rates to where they are more reasonable? This is especially valid when we now know that the major financial institutions in this country just finished recording close to $4 billion in profits.

Mr. MacDonald (Dartmouth): I want to thank my hon. colleague from Broadview—Greenwood for an appropriate question, particularly at this time of the year. This is the time of the year when individuals have been inundated with the promotion of the new type of transaction in Canada which is called credit cards. He is quite correct. Just for Visa and MasterCard alone in Canada there are nearly 27 million cards. Of those 27 million cards fully 50 per cent of them carry an unpaid balance of approximately $1,000 a month. That is a lot of money. Figure it out. There are billions of dollars here. The government has the ability to come in and regulate but it has not.

• (1330)

We have seen interest rates go down. We have seen the spread between the prime rate and credit card rates charged to about 18 million consumers in Canada stay almost 12 points above prime.

What does 12 points above prime mean? It means that for every single one per cent the interest rate is above what it should be per month Canadian consumers are being gouged to the tune of $15 million a month.

What has happened here is again a matter of confidence. The government has the tools at its disposal. The chairman of the committee has done an extremely good job in stripping the partisanship out of the committee that had studied this. The chairman is Mr. Holtmann. I know I am not supposed to say his name but I think Canadians should know.

We have come up with solid recommendations to the government. We said that one of the things the government can do easily is not going to cost it any money. It will put more money into the pockets of consumers. More important, it will put some confidence back into the pockets of consumers. They will feel that they are not going to be gouged and that the government is listening. It is taking the appropriate steps to ensure that they can become more productive and that their interests are being looked after. It could be done easily.

The banks at this point have made $3.7 billion profit at a time when we are in the worst recession since the dirty thirties. It is a time when there are one and a half million people unemployed and nearly half a million to a million people relying on food banks. The unemployment rate is over 10 per cent. Canadians are suffering. At this very time that Canadians are suffering the hardest the government says: "My hands are tied behind my back. I cannot do anything". If we can drop interest rates by 2 points that is $30 million a month or $360 million a year.

I am glad that he raised that because it shows Canadians that there are certain things the government can do. It can do them easily and quickly to effect an upsurge in consumer confidence which will in turn fuel the recovery we so badly and desperately need.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am pleased to be able to stand in this House today to address this very important topic of the economy in Canada.

There are basically four points that I want to make. First, I want to draw a large picture to try to situate Canadians to give them a sense of what is happening within the country. They are not without knowing that the deficit is extremely high. It is in excess of $30 billion. They know that the debt has surpassed $400 billion. These are astronomical figures and extremely difficult for most individuals to understand because they do not deal with them on a regular basis.

They know that they have suffered tax increase after tax increase. In fact the number is well over 30. I believe the count is 34 if we include the goods and services tax. In fact it may be 35 if we include the increased premiums of unemployment insurance.

They see these particular increases and they see the deficit as still very high. The deficit is almost double and they say to themselves: "What is happening? Why are these problems not being resolved?" They recognize as well that when this government came to power the total revenue that it was collecting in taxes was in the neighbourhood of $70 billion.

It is now almost double. It is in excess of $130 billion according to what we project this year. They say: "All of these tax increases, an almost doubling of revenues, and there has been no significant gain with respect to the reduction of the deficit or the debt". They know that there have been until recently extremely high interest rates.

They recognize that if those interest rates had been lower it would have cost us less money to support that debt and to pay the interest. They are not totally sympathetic and that is the kindest way that I can say what has been happening.

They recognize that since June 1989 there have been over 300,000 jobs lost in the manufacturing sector and they worry. They worry about today, tomorrow, themselves, their future and their children's future.

They also know that this country of ours is one of the finest in the world and one where most people from outside our border would like to live. They know it is not only in a serious financial situation but the institutions that we have come to rely upon are really crumbling.

[*Translation*]

For example in Canada today as we speak—about five million people are poor. Many of them—I believe over a million—are young people, children, and a large majority are women.

Right now we realize that over two million Canadians are on welfare and nearly one and a half million are unemployed. We know very well that the actual number

is much higher because many unemployed people have given up looking.

We know that this year 1.8 million Canadians, almost two million, will have to go to food banks. How can this be in our country? That is what is going on today and it is not at all pleasant. It is shocking. We realize that these 1.8 million Canadians who rely on food banks to eat include about 300,000 children, some very young. It is unimaginable, unacceptable and it frightens people. It makes them lose all confidence.

[*English*]

These same people, as they look at this deteriorating situation which I indicated, are frightened. They are losing confidence in the country, in its institutions and in government. Of course this makes the whole challenge of governing that much more difficult today.

It is not unusual that we should be having serious conflicts throughout the nation. There are conflicts in terms of national unity and conflict in terms of people being unwilling to make accommodations or compromises. Because they are frightened they feel that if they were to do that they would lose even more than they have lost.

They look at the country and they see bankruptcies. I want to quote because I do not want to mislead anyone. There have been more bankruptcies in the first 10 months of this year than in all of last year, which was a record breaking year for both consumer and corporate insolvencies. That was in the province of Manitoba. Between January 1 and November 1 of this year 2,455 bankruptcies were recorded in Manitoba. This includes 331 business failures.

As I travel about my constituency I see vacancy after vacancy. Many of the areas which were once flourishing with small, active, lively, competitive businesses look like disaster areas. That frightens people as well because as they travel back and forth to work and go out and do whatever shopping they can, they see that the situation is not getting better. It is getting worse. It is really getting very bad.

Let me share some personal statistics with which I am dealing in my own constituency. I will use fictitious names to protect the identity of the individual. The first person is Allan who is almost 50 years old. He was removed from his position because it was redundant. He was in a position of middle management. He has been looking for a job for over a year and has been unable to find anything. He has an excellent work record with superb references.

What about Brian? Brian has a master's degree in public administration. He has not been able to find a full-time job. There are little short jobs and very often he is very poorly remunerated.

What about Charles? Charles has a degree as well, in the area of economics. He has not been able to land a long-term job. If my memory serves me correctly, six months has been the longest job.

What about Donalda who has two degrees? She is a single mother who has not been able to find anything significant. In fact if things continue as they are she will probably have to take a basic entry job which pays a bare minimum wage or slightly over minimum wages.

What about Ernest? Ernest also has a master's degree. He is a new Canadian and full of enthusiasm. What has happened to him? He has been looking for a job for the last several years.

Every one of those individuals, and I can mention some other as well, is a responsible and well educated person. They have excellent skills but they simply cannot get jobs. I have not mentioned the Pauls and the Janices. These are the people who have journeyman papers and a number of trades who have lost their jobs and would have to take roughly half of what they earned if they can get a job. There are many of those people out there as well.

There were 2,000 jobs lost during the last 10 years in the CNR as I mentioned in this House this week. I think it was 1,000 during the last three years. They say: "What is happening to my province? What is happening to my country? What is happening to my city?"

• (1340)

They look at VIA Rail which was decimated with almost 3,000 lost jobs that were never to return. They look at Route Canada which was a trucking firm that went bankrupt a number of years ago and over 1,900 people were just left hanging. Nothing has been done for them. They look at TIEM, the company that was supposed to help small businesses. We do not have the full story there, but we know that it is less than totally pleasant. It did not work out at all. It left people hanging,

people who had invested a lot of their time and a lot of their money.

They look at news stories such as the one yesterday about the port of Churchill possibly closing. They saw the headline of just a couple of days ago about the loss of additional jobs at CNR. They look at the cuts in Air Canada and Canadian Airlines International Limited. They wonder when this is going to stop.

What has the government done? It could have invested more in education, but it will have cut $10 billion in education between 1986 and 1995.

In training and retraining there are fewer dollars. We need more training and retraining. In research and development it was going to invest twice as much. What has happened? It slid. It is much less than what it was. I could go on and on.

We need an election. We really need to have the Canadian people say: "This is what we want with this particular program". We need to look at policies such as a lower dollar. We need to look at whatever it is we can do to get Canadians back to work.

I would like to say that if we could make one decision right now, it would be to permit those people with credit cards to have lower rates at this time. I am sure it would help the small business people who are struggling to make it over the Christmas holiday. If it does not work out during the next couple of weeks, they are going to be a lot more bankruptcies.

I am pleased I was able to address this particular motion.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, you caught me off guard. I thought for sure we would have some questions and answers from the other side.

The motion before us today is certainly a serious one. I think it is very important that Canadians have a chance to hear us debate it today in the House of Commons. There is no question that the Canadian economy is hurting, that we are in the midst of a recession, and that we do have a million plus unemployed in this country.

I think what we have to do is not only talk about Canada, but focus on where we are in relation to the rest of the world. Canada is not alone in this thing. None of us in this House enjoys listening to or looking at some of the stats that have been thrown around here this morning. Some were quite accurate and some were misleading.

Most of us would agree that we have a million plus unemployed and it is not a nice thing to see when we go back into our ridings. All of us are affected. This unemployment knows no political boundaries. Whether you are NDP, Liberal or Conservative, we are all affected in our individual ridings, neighbourhoods and our individual families. It is not an easy thing to see at this time of year.

As I mentioned at the outset we are not alone in this thing. That is what we have to focus on in this debate today. Canada is moving out of the recession. There are some very strong indicators that we are effectively moving out of the recession. There is a long way to go. We admit that but we are moving out of it.

Much of the emphasis today has been on Canada versus the U.S. and the free trade agreement in relation to the U.S. Let us examine the U.S. economy for a minute. Let us take a look at what is going right or what is going wrong with that economy. The United States has monumental problems. When we talk about job losses in Canada, we can talk about a million plus jobs lost and we will accept those figures.

As I mentioned earlier, they are not easy figures to accept, but we will accept them.

South of us in the United States there is unemployment at this very moment ranging, depending on whose figure you want to believe, from 10 million to 12 million. The U.S. has its problems too.

It is interesting to note that we are doing some things in this country about our position. We know we have to get some of the fundamentals right to move beyond where we are this very day.

Some of those fundamentals that we believe are very necessary to move out of recession to a period of recovery and growth I think we have the right concept of and we are doing the things that we have to do versus the United States which refuses to look at the real structural problems within its economy.

We have taken some of those hard decisions in the last couple of years, many hard decisions. Those are not easy ones to go back home and defend, but we have nonetheless taken those.

One of the serious problems that we faced in 1984 when we took office was a mounting debt, a crippling debt load, and one that was bound to get us into the kinds of difficulties we are in now.

Take a look at 1984. The percentage of debt in relation to Gross Domestic Product was running at a rate of 8.7 per cent. Take a look at it today. Today that number has almost been cut in half. It is in the area of 4.6 per cent in relation to Gross Domestic Product. That is the real measure of what we have done about the debt because the Canadian economy has grown but our ability to fight that debt in relation to the growth in the economy has been very successful. No one argues that, particularly international investors when they look at this country and can measure what we have done.

Politically it has not been easy. If you want to poke fun at our standings in the polls, they are higher than the interest rates today. A couple of years ago maybe we could have argued that they were not, but they are now.

I think the real truth of what is happening to the Canadian economy can be measured in the international investment world, the investment markets. We are doing the right things, although they are tough politically.

The figure of 4.6 per cent, the figure of debt in relation to Gross Domestic Product, is going to drop to less than 1 per cent by 1995. If our projections are right, it will come down in the order of about .7 per cent, less than 1 per cent. That will be the year that we will also start to pay down the debt. If it is not that year, it will be close to it. We will be in what we call a zero borrowing position. We can start really paying down that debt.

Another difficulty we inherited on this side of the House in 1984 was that our operating balance was out of whack. The cost of programs before paying interest was something in the order of $16 billion more than revenue. We changed that around. Now we have a $12 billion surplus on that operating balance and that operating account.

That was the thing which restricted us from paying down the debt. All political arguments aside, if you look at the debt we inherited, which was $200 billion plus in 1984, what we have today when we look at the accumulated debt of approximately $390 billion is accumulated interest on that debt because the structural deficit we inherited restricted us from paying down the dollar amount of that debt. We are simply paying interest on it.

We know how much that interest is gobbling up in terms of government revenues today.

Canadians are probably paying too much in taxes and 35 cents out of every dollar simply pays interest on the debt.

• (1350)

It is crazy. It is a crazy position for a government to get into. How did we allow ourselves to get into that position? Again, it is the old trick that I usually pull back in the riding. I pull the pen out of the pocket. It is interesting that I have a red pen here because those red numbers were simply created in those years leading up to 1984 when politicians went back home to their ridings and simply wrote the cheque knowing full well the money was not here to pay for it.

We did not have the money to pay the bills. We had to borrow it. We went on that destructive course and we had been on it for many years.

This is the first government in the last 30 years that has decided we cannot go on that destructive course. That 35 cents you are sending to Ottawa to pay the debt is money that is wasted.

Just imagine the types of programs we could have today if 35 cents of our dollar were not simply going to pay interest on the debt. It is wasted money. It is money that cannot be used for health care programs. It cannot be used for housing programs. It is simply money that is wasted. It is going to the bond holders who are reaping the rewards of this.

Talk about irony. The people who need the money the least are the ones who gain in a system laden with debt. Canada has done what very few western countries have done in the last 10, 20, 30 years. Canada has faced reality and is going back to square one.

An editorial in *The Globe and Mail* dated November 7, 1991 says it all. Talking about the U.S., the headline is "A wake-up call for George Bush". What it is saying is simply that the United States of America has refused to come to grips with its overspending as we have in Canada. When I mentioned those Gross Domestic Product figures in relation to debt, our position is much

more favourable now than it was seven years ago, eight years ago, ten years ago.

Our position is on a projectile and you can see light at the end of the tunnel. The American position is straight up. Politically it does not want to deal with it. Politically when you deal with debts and deficits there is a price to be paid on the other end. When you go back into your respective neighbourhoods without those programs and the cheques in your pockets to do the types of things that make you popular in your ridings, they are not there.

The U.S. has not come to grips with that. It has its eye on the 1992 election, but it does not want to deal with the truth. It wants to continue to spend by borrowing from future generations.

We are not going to do that any more in this country. That is one of the reasons why we are bringing in, as a government, a proposed spending control act. At this point it is proposed because it has not been laid before the House, so to speak.

What it is saying is simply that we are going to put restrictions on the Government of Canada to spend the taxpayers' money. We know the future of this country can only be secured when we erase that burden of debt under which we are operating today. We are going to do it.

Some of the arguments that we have heard in this House this morning were in relation to the free trade agreement. I want to dismiss some of those. They are not painting an accurate picture at all.

The trade agreement with the United States is working. It is not perfect but it is working. I want to give some statistics that I will back up any day of the week, any place.

Our exports to the United States in the first two years since the free trade agreement have increased by $8 billion. Since the free trade agreement, our trade surplus with the United States has gone up by about $3 billion. Between 1988 and 1990 Canada went from a net direct investment outflow of $2.5 billion to a net direct investment inflow of $5.1 billion for a net turn around of $7.6 billion.

Those are good figures, believable figures. It is working. In August of this year Statistics Canada announced that our exports to the U.S. were at an all-time high. The FTA has been good for Canada. It has been very positive for Canada.

In this House the opposition is quite famous for coming in with names of companies, fictitious or otherwise, that have abandoned Canada as a place to invest. I want to go through some of the companies that have left the United States and have come to Canada with their money, with their investments. Let us go through some of these.

Canadian Thermos Products has closed plants in the United States and come to Canada as a good place to invest. Gandalf Technologies in Nepean is a U.S. company that moved to Canada. Heron Cable of Waterloo, Ontario left the U.S. and came to Canada. Hughes Aircraft Company located in Midland, Ontario left the U.S. and came to Canada.

There are others such as Inter-City Products Corporation, Brantford, Ontario; Kodak Canada Limited; Keep-Rite Incorporated of Brantford, Ontario; Sault Star Seamless Cylinder Co. of Sault Ste. Marie, Ontario; J. L. DeBall Ltd. of Montreal; Polymer International, now in Nova Scotia; a litany of companies because Canada is a good place to invest.

International investors are recognizing that simply because of what we are doing. We are erasing that burden of debt and attracting international investors to this country.

One of the arguments they make on the other side is that the Canadian dollar is too high. Maybe it is too high. We do not argue that but world markets determine the value of the Canadian dollar. The world markets and investors are telling Canadians that we have a good country and it is a good place to invest. The level of the Canadian dollar is merely a reflection of what we are doing; building a strong country with a strong economy. More important, we are getting the fundamentals right. We are getting them down into the area in which investors can live with them, especially regarding inflation.

What we want to achieve is an economy in which inflation is as low as it can possibly get. We are achieving that. We also want to have an economy in which we have what we call price stability. We are achieving that. Those are the types of things that attract investment into a country. Those are the types of things that have attracted

those companies that I just mentioned into Canada. We are doing those types of things.

We are also talking about job stability. Let us talk about the GST. The opposition loves to talk about that. We brought in a change to the old manufacturers' sales tax in this country to help manufacturing. That is what it is doing. It is helping manufacturing. It is bringing foreign investment into this country and doing what we said it would do.

If the opposition wants to argue on the political merits of the GST and the negative impact it has on our standings in the polls, I will support that 100 per cent. It is doing the tough things but doing them for the right reasons, and the right reasons are simply to gear up the Canadian economy so we can compete in the 1990s and into the turn of the century, doing the types of things that we were elected to do. We were not elected to simply stay in office and do the easy things. We were elected to make the tough decisions for the benefit of all Canadians.

Our economic policies are working. When the Canadian people go to the polls in 1993 they will have a chance to reflect and they will say we have done the right things, the tough things, and they will be willing to re-elect us.

• (1400)

Mr. Speaker: It being two o'clock p.m., the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

AGRICULTURE

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, each year governments in Europe and North America subsidize consumers through programs to assist farmers that produce food at a loss.

Canada has developed a system of supply management which makes a great deal of sense to producers, processors and consumers with minimal support from the Canadian Treasury.

There has been a great deal of encouragement and support throughout Canada for the position that the federal government has taken at the GATT negotiations to see article XI:2(c)(i) strengthened and clarified.

Better access to world-wide markets, clear and fair rules on countervailing duties and rules to prevent the abuse of health and sanitary reasons as disguised trade barriers are important.

It is imperative if agriculture is to survive in Canada that we have a more stable environment for our domestic and export producers.

I urge all members of Parliament to support the government in order to ensure success in Canada's position during these last minute negotiations.

* * *

AIR CANADA

Ms. Mary Clancy (Halifax): Mr. Speaker, Air Canada has failed to ensure that the federal policy relating to employment contracts of airport screening personnel was respected at the Halifax International Airport.

The federal policy was that the turnover of these workers would be reduced through improvement and protection of wages and benefits. Transport Canada was supposed to ensure job security and wage benefits for the workers during turnover. It did not.

Those workers have lost their wages and they have lost their jobs. As of last week, workers with as much as nine years of experience had not been offered seniority by the new screening firm.

There were 30 employees at Walker Security. I therefore call upon the government to instruct Air Canada to review the contract with the new security firm. If it finds that the firm has abrogated the commitment that it made to both Air Canada and the workers, it should declare the contract void and sit down to ensure that we have fairness to those employees.

These people have been abandoned by Transport Canada, and they have been abandoned by this government.

* * *

INTERNATIONAL HUMAN RIGHTS DAY

Mr. Walter Van De Walle (St. Albert): Mr. Speaker, I rise to remind all hon. members that today is a very significant occasion in Canada and throughout the world. It is International Human Rights Day, and the 43rd

anniversary of the United Nations adoption of the Universal Declaration of Human Rights.

The world has made gigantic steps. However, violations of human rights are still reported every day. That is why we must continue in partnership with other nations our efforts to ensure progress toward a world free of injustice, discrimination and prejudice.

Today, the Nobel Peace Prize will be awarded to Daw Aung San Suu Kyi, a founder of Myanmar's National League for Democracy, a courageous woman, currently under house arrest for her beliefs. All members of the Subcommittee on Development and Human Rights of the Standing Committee on External Affairs and International Trade congratulate her and call for her immediate release.

* * *

LAND CLAIMS

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, today the NDP government in British Columbia is responding to the recommendations of the First Nations task force report on land claims.

Since my first days in the B.C. legislature almost 18 years ago, I have been urging that land claims be settled in my province on the basis of aboriginal rights and title.

Now that we finally have a government in British Columbia willing to do so, the federal minister of Indian Affairs is throwing up another road-block.

By threatening to stall negotiations with First Nations until the province accepts his preconditions on cost-sharing, the minister appears not to want to sit down with aboriginal people at all.

I commend Mike Harcourt's, aboriginal affairs minister Andrew Petter, and the NDP government for their historic, precedent setting commitment to settling the outstanding claims of First Nations in B.C.

I call on the minister of Indian Affairs to dismantle his road-block, drop the preconditions he has placed on negotiations with the First Nations, and get on to negotiating an honourable land claim settlement in British Columbia.

[*Translation*]

INTERNATIONAL HUMAN RIGHTS DAY

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, as my colleague from St. Albert just said in English, I would like to remind this House that December 10 has been declared International Human Rights Day and today is the 43rd anniversary of the adoption of the Universal Declaration of Human Rights by the United Nations.

Exactly 43 years ago, the UN General Assembly adopted this universal declaration, this document which was to give all people everywhere the same basic rights and freedoms. This does not mean that injustice and intolerance have completely disappeared from the face of the earth. Unfortunately in some countries these rights and freedoms are not respected. Canada has adopted its own Charter of Rights and Freedoms, but much remains to be done. We want to give all Canadians, without exception, a chance to participate fully in our society.

International Human Rights Day is an opportunity to reflect but also to act. We should take this opportunity to ask ourselves how we as Canadians can build a fairer, more tolerant country, a country where everyone can contribute to the best of their ability.

* * *

[*English*]

VIOLENCE AGAINST WOMEN

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, last Friday, once again Canadians recalled the Montreal massacre, an event that focuses attention every December 6 on the issue of violence against women. Today and every day, women and children see their lives and families shattered by violence, violence that governments have done little to prevent or punish.

I call upon members of this House and all other legislatures in this country to look to their statutes and public programs for ways to control the menace that lurks in so many Canadian homes. Our laws must be made more effective, not just in words but in practice. Shelters only deal with the consequences of violence. Society must start to deal with the causes.

Children and mothers across the land are looking to their legislators for protection. Parliament must not fail them again.

* * *

EDUCATION

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I stand today to endorse the objective of national standards testing in education as proposed by the provincial governments at their meeting in Toronto yesterday.

As we all know, the future of our country will depend upon the ability to compete. However, this ability to compete is not attainable without a properly educated society.

In Canada today the inability to move east to west or west to east to provide for one's self and create a stronger economy is restricted by the lack of national education standards. I hope now that the business community and the political community are working together to set national standards that the educational community will be a very important part of this new strategy.

I congratulate all of the provincial governments for their efforts in reaching this agreement.

* * *

FISHERIES

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I am pleased to take this opportunity to commend approximately 200 Prince Edward Island fishermen who participated in the 11th annual convention and seminar at the Prince Edward Island Fishermen's Association this past weekend.

It was unfortunate that the federal minister of fisheries was unable to attend the event because he missed a great opportunity to listen to the concerns, views and possible solutions put forward by Prince Edward Island fishermen.

The fishing industry employs approximately 10 per cent of our work force in Prince Edward Island. In 1989 it contributed $226 million to our provincial economy.

Among the many issues discussed, perhaps the most serious issue remains the government's reluctance to return to a standard minimum lobster carapace size of 2.5 inches for all three designated areas on the Island.

I look forward to receiving copies of the resolutions passed which I hope to share with this House at the earliest opportunity.

* * *

[*Translation*]

SERBS

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, I would like to draw the attention of the House to the unfair treatment Serbian people are receiving from the highest levels of our parliamentary system. There are more than 100,000 Serbs in Canada, and Serbia has always been Canada's ally: Furthermore, the Serbs were one of the groups that suffered most during the two last wars in which they lost almost a third of their population.

Today these people have a right to be treated fairly in the House of Commons. In fact, its most basic rights as a society have not been recognized, although today, it remains the first victim of the surge in fascism in Europe. It seems that people in certain Canadian political circles are playing a most unfortunate role in the present crisis in Yugoslavia. One would hope that in this country all parties concerned would at least have the decency to look at both sides of the story.

* * *

• (1410)

[*English*]

INDIAN AFFAIRS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise today in celebration with six northwestern Ontario aboriginal communities which finally, after decades of neglect, will now receive a secure land base and the funds necessary to develop water and sewage services, decent housing, community facilities, not to mention the chance for economic improvements.

As my colleague Bud Wildman, Ontario minister of native affairs, said yesterday: "We are taking the first

step toward ensuring that six communities in the Nishnawbe-Aski Nation will have a brighter and healthier future".

It is an historic first step to the people of the First Nations of Kee-Way-Win, McDowell Lake, New Slate Falls, Saugeen, Aroland and Wawakapewin. My congratulations and best wishes.

To the Government of Ontario: Thanks for providing the leadership to solve this dispute so long in occurring.

To the federal government: What took you so long?

Let us use this decision to move forward toward resolving all of the outstanding aboriginal issues. It is our responsibility.

* * *

ENTRANCE TO NOVA SCOTIA

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, for decades the main highway entrance to Nova Scotia has provided the most unique welcome of any province.

With a huge flower garden and information kiosks describing the provincial attractions, all tourists have been made at home right away.

Now, with the new highway about to bypass this entrance, it is important that tourism groups unite with the province to rearrange and rebuild this unique welcoming facility. The Amherst and area Development Commission has spearheaded the drive to create an even more impressive display than ever before.

The proposal includes replacing the *Bluenose II* at the site where it will be the first impression that tourists have as they enter the province and their last impression as they leave the province.

The *Bluenose II* will soon be retired and the border site provides the best possible location where virtually all visitors will have the opportunity to see the symbol of our Nova Scotia heritage and know that they have arrived at a unique province.

I call on the tourism ministry, the province, the federal government and all interested parties to work closely to achieve this goal of re-establishing this entrance to Nova Scotia.

S. O. 31

CANADA EMPLOYMENT AND IMMIGRATION ADVISORY COUNCIL

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the Canada Employment and Immigration Advisory Council, established in 1977, was mandated to provide the government with independent advice on policy issues.

In recent years the council has recommended, among other things, a full employment policy, a regional employment strategy, adjustment programs for older workers and opposed cutbacks in unemployment insurance. In most cases the government has totally ignored this advice.

Now there is serious concern that the government will close the council down. Currently there are five vacancies on the council which have not been filled, including the chairperson and one vice-chairperson.

What are the government's plans with respect to this independent, broadly based, private sector advisory council? Can the government not take advice which says it is wrong on several matters? Is this another example of the government suppressing legitimate dissent?

What is the future of the Canada Employment and Immigration Advisory Council?

* * *

THE ENVIRONMENT

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, the Government of Canada is committed to a safer environment.

As part of the green plan, our government will improve the ability of Canadians to predict and warn about weather emergencies. Each year some 150 Canadians die from the direct effects of severe weather. Many others are affected by floods and automobile accidents caused by poor weather.

Under this $40 million program, weather emergencies and emergency surveillance systems will be upgraded and the public will be made more aware of natural disasters and how we can respond to them.

Doppler radars already in place in Edmonton and Toronto will also be installed in Saskatchewan, Manitoba, Ontario and Quebec to give more advance notice of tornadoes. A more accurate computer model will be developed to improve Canada's ability to track clouds of

nuclear fall-out, volcanic eruptions and major toxic gas releases.

The weather radio network, which already includes more than 100 transmitters, will be expanded further and upgraded, and special emergency television messages will warn of impending floods and of iceberg movements.

Let us all work together for a safer environment for all Canadians.

* * *

THE ECONOMY

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, this government's high tax, high dollar, free trade induced recession is continuing to cost Canadian workers their jobs.

In my riding of Kootenay West—Revelstoke the following plant closures last year contributed to an unemployment rate of 13.9 per cent.

Lost are 95 high-tech jobs moved to the U.S. due to closure of Johnson-Matthey in Trail; 167 woods product jobs permanently lost due to closures: YMIR Forest Products, Koala Timber, L & W Sawmills, Poplar Cedar, Shelly Cedar, and Eaglewood Firewood.

Many more have been laid off: 240 from Westar Timber in Castelgar; 50 more from Treminco Resources Mine shutdown at Sandon; 130 more at Kalesnikoff Lumber, Kootenay Valley Sawmills and Slocan Forest Products; 100 more from shutdowns at Columbia River Shake and Shingle; and at least 200 loggers are out of work as a result of all this carnage. I and my constituents urge the Prime Minister and his finance minister to open their eyes and see the damage they are causing.

There are none so blind as those who will not see.

My message is this: Stop, look and listen to unemployed Canadians. Shape up or ship out.

* * *

VETERANS AFFAIRS

Mr. George Proud (Hillsborough): Mr. Speaker, it is most important that we cling to the symbols which unite us and pay tribute to those who have served their country. Like all other Canadians, I commended and applauded the Minister of Veterans Affairs last spring when he announced that a medal was finally being struck and awarded to those members of our Armed Forces who so valiantly served in the Korean war some 40 years ago.

It was nice to see a few of the medals presented in early November in a ceremony with the Governor General, but does the minister realize the time it is taking to process the applications for the medals and does he also realize that these medals are slated to be mailed out rather than be presented in any formal fashion to the recipients?

Mr. Speaker, the hypocrisy of it all. How can this government mail out medals of honour?

I call on the government to provide the persons who earned these medals with a more dignified presentation than is being planned at the present time.

* * *

THE ENVIRONMENT

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, Canadians can be proud of the substantial progress which has been made on the green plan as 80 per cent of first year program targets will be met by the end of the fiscal year.

Canadians in all regions will benefit from important initiatives which range from the Canada-U.S. air quality accord to the $275 million Indian health and water initiative.

Through the $100 million Arctic environmental strategy, northern communities and non-governmental organizations will be assisted to take local action on important environmental issues.

We are also expending some $100 million to help clean up the Fraser River and to return salmon populations to historical levels.

The $10 million Atlantic coast action program to restore harbours and coastal areas will fund programs run by a cross-section of community residents along with government, industry and business representatives.

In summation, we are making good progress in our stated goal to integrate environmental protection and economic development. We are improving the manner in which decisions are made and that is the best news of all.

ORAL QUESTION PERIOD

[*Translation*]

THE ECONOMY

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance.

Yesterday the Minister of Finance and some of his fellow ministers from the province of Quebec met with businessmen and union leaders in Montreal and according to the press reports the meeting was not a success.

I would like to ask the Minister of Finance why he will not admit that Montreal businessmen and Montreal union leaders were right when they said it was useless for our bank rate to be 3 per cent higher than the bank rate in the U.S. Why did the government not take the necessary action to set the Canadian dollar at a level that would allow plants that are now closed in the Montreal area to start up again?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I hate to disappoint the hon. Leader of the Opposition, but my colleagues and I had a very productive and constructive meeting with the Quebec business community. They acknowledge the fact that interest rates are the lowest they have been in 18 years. We have the third lowest interest rates in the world, next to the United States and Japan. The spread the hon. member speaks of is the spread between the Bank of Canada rate and the Fed in the United States.

As I said in the House this morning, people do not borrow from the Fed and they do not borrow from the Bank of Canada. They borrow from the commercial banks and the differential is about one-half of one per cent. Our prime rate in Canada is 8 per cent. The prime rate in the United States is 7.5 per cent. That is a tremendous record.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, as he has done for the last few weeks, this morning the minister told Canadians that he thinks the recession is over.

He should know that, for example, last month housing starts were down 13 per cent. That was one sector we were led to believe was doing better and it was 13 per cent below what it was a year ago.

I want to ask the minister why he is not recognizing the fact that we are not out of the recession and why he keeps trying to defend the indefensible, the budget of his predecessor, and why he is not coming out with his own budget so we have a chance to create some hope for Canadians at this time.

• (1420)

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, it is true that housing starts declined somewhat in November over October, but I remind the hon. member that housing starts in the month of October reached 204,000, the highest in 17 months.

It would be very unusual to maintain that kind of growth. I can tell the hon. member that housing starts have strengthened. They come in at 178,000 units but obviously housing being an interest sensitive sector, and given the fact that in the third quarter it was recorded that investment in residential housing had increased by 17.2 per cent, I think those are positive indicators for the housing industry and I agree with the hon. member.

As the housing industry is stimulated that has a very major impact upon the total economy of Canada.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I think it would be useful if the minister were more realistic and looked at what is happening.

Last week, for example, we learned that the Town and Country clothing chain will close 162 stores across Canada. Today the Ayres chain declared that it will close 60 stores across Canada. It is not waiting for Christmas; it is moving right away.

They all have the same reasons: high dollar, high interest rate, cross-border shopping, GST, and a terrible economic situation.

I ask the minister again: Why does he try to defend a budget that has been a complete failure and why does he not introduce a new budget on his own that might make more sense than the one presented by his colleague to his left?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I would much rather

follow the advice of the former Minister of Finance than the track record of the Leader of the Opposition, which is pretty dismal.

I put a few things on the record this morning. For example, his first budget was over the target by 70 per cent. The second budget was over its target by 30 per cent in terms of the deficit. In those days when he was President of the Treasury Board he talked about a 16 per cent increase in program expenditures as restraint. Some restraint.

That is not to take away from the seriousness of the question that the hon. member raised. Obviously, and I want to point out to the hon. member, this government does not have a high interest rate policy. With the interest being the lowest in 18 years, that is far from being a high interest rate policy.

Clearly our aim and objective is to get the basics right, the fundamentals right, and bring about a decline in the inflationary pressures. That will bring down interest rates, as it has, and that will provide the climate for sustainable growth and price stability.

* * *

POVERTY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Prime Minister.

Yesterday the Prime Minister said that poverty was decreasing in Newfoundland. Well, he was wrong.

In Newfoundland alone the welfare roll is increasing at the rate of 2,000 people a month and is at record highs. When the Prime Minister said poverty was decreasing he must have been in Disneyland, not Newfoundland. The ostrich approach may make the government feel good, but it does not put food on the table.

I would like to ask the Prime Minister what he can tell a four-year old Newfoundland child lined up at the food bank that can give him some hope this Christmas.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will not comment on the frivolous conclusion of my hon. friend's question, but with regard to the information raised yesterday I simply indicated, and I think the statistics will bear it out, and I am speaking from memory, that unemployment in Newfoundland is down in the neighbourhood of 6 per cent from where we inherited it in 1984. It is still too high. It was 23.5 per cent when the Liberals left office. It is down to 18.1 per cent, I believe, today.

We are working. Some 25,000 new jobs have been created in Newfoundland in the last six years as opposed to 1,000 jobs that were lost in the period from 1980 to 1984.

Hibernia is creating some 35,000 new jobs and some 3,500 permanent jobs. Premier Wells I think agreed yesterday—you may want to check with him—that the general fiscal and financial approach of the Government of Canada is one that he generally supports. He is very pleased with what we have done with Hibernia and other economic initiatives and he believes that the co-operation between the Government of Canada and the Government of Newfoundland and Labrador will bring prosperity to that province.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question about the four-year old boy who will end up eating at a food bank this Christmas is not a joke. It is the truth. In Montreal alone 50,000 children will eat at food banks this Christmas. That being the case, why does the government and why do the Prime Minister and his colleague, the Minister of Fisheries and Oceans, keep claiming that poverty has not increased, while they know perfectly well the unemployment rate and the welfare rate are going up, not down?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the hon. member is wrong again. No one can ignore the social problems we have in this country today. In Quebec we have some serious problems, for instance in East Montreal and a number of areas in eastern Quebec, and there are also problems in the Atlantic region and other parts of this country. There will always be too many cases of poverty and too many cases where the children of this country are involved. But the government has done a great deal. And I believe that very soon the Minister of National Health and Welfare will announce a number of major initiatives to provide

greater security for children who are affected by poverty and other social problems.

That being said, I think we should realize that the real wealth of a nation is created by the private sector, not by governments with deficits. And the private sector will create wealth if interest rates go down. Today, however, interest rates are at their lowest levels in 18 years and the inflation rate is at its lowest level in 21 years. Those are signs that should encourage, not discourage the hon. member.

* * *

EXTERNAL AFFAIRS

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Prime Minister. Many Canadians were astonished when they heard on September 30 this year that the democratically elected president of Haiti, Jean-Bertrand Aristide, had been toppled by a *coup d'état.* Canada has now frozen $20 million in aid, of which $10 million was earmarked for non-governmental organizations.

We are in favour of economic sanctions against the military dictatorship, but the situation of the poor who have no shelter and no food is appalling. Will the government reinstate the assistance channelled through NGOs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Canadian government supports President Aristide and all efforts to help the president resume his democratic duties in Port-au-Prince. We also support the embargo ordered by the Organization of American States. Although it is unfortunate that the embargo is causing serious problems for a broad segment of the population, I believe that President Aristide's position is that the people of Haiti prefer this kind of temporary problem to the loss of democracy. He believes that these initiatives on the part of the Canadian government are helping to restore democracy in Haiti. That is why we intend to persevere in our efforts in this respect.

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary. I gather that means that the government will not be assisting the Red Cross and other organizations which have asked for additional aid in order to assist those people in Haiti who are suffering.

My question for the Prime Minister on another subject however is that he was very careful on another international matter regarding the break-up of the Soviet Union and careful in Canada's response to this extremely complex and volatile matter. The Secretary of State for External Affairs, however, was not quite so cautious in her comments about the Slavic commonwealth. She said: "The Soviet Union is evolving into a new format and the changes we see are positive".

• (1430)

I would ask the Prime Minister if he would tell us today if he agrees that recent developments are positive, and will he let the House know if this is the message that he has conveyed to Mikhail Gorbachev?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I was away yesterday, but I looked at the transcript and I am told that the minister indicated that it was a positive sign that the three republics wish to work together. That of course is by any standards a positive sign.

Our concerns—and I think they are probably shared by my hon. friend— in respect of the Soviet Union are political stability in the former U.S.S.R., because there is general agreement that it is in an evolving state, on terms that would be agreed to. We have deep concerns, as I expressed in the House the other day, about the deployment, use and control of nuclear weapons on the soils of many of the republics. We have concerns about food shortages, shortages of medicines this winter and the devastation that may inflict upon the Soviet people. We have concerns that we have expressed about minorities and borders so as to ensure that the situation in the Soviet Union does not disintegrate into the catastrophe that has now engulfed Yugoslavia.

We are proceeding with caution. We are proceeding with great care because we would like to have a constructive influence, if we can, on the development of matters in the Soviet Union. To that end we will consult with parties in the House and we will try to take the most constructive attitude possible.

Hon. Audrey McLaughlin (Yukon): I have a supplementary, Mr. Speaker. The Prime Minister has outlined a number of concerns that I think many Canadians and many people throughout the world have, while certainly supporting co-operation among newly independent states.

I would like to ask the Prime Minister a specific question about one of the issues he himself raised. In the three new Soviet states there are 8,911 nuclear warheads

pointed toward North America and Europe. Yesterday there were conflicting statements from leaders in the three new Soviet republics regarding control of that arsenal.

The Prime Minister said that he is concerned, but I would like to ask him what action he has taken to convey that concern to the leaders of these new republics, and will he ask them to provide a specific plan for the control, non-proliferation and eventual elimination of this nuclear arsenal?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that the position that we have adopted and conveyed to President Gorbachev personally and to the various ministers representing appropriate republics can be summarized in the communication that we conveyed to the President of Ukraine when we recognized the independence of Ukraine.

We recognized independence for Ukraine, but we began a process of negotiating diplomatic recognition pursuant to four or five important criteria, including some that have just been raised by my hon. friend. We have senior officials in Kiev doing that with a republic whose independence we have recognized. We will no doubt proceed in a similar fashion under analogous circumstances because the problems in large measure remain the same in the various republics.

I think that the precedent that the Government of Canada has established and laid down in regard to Ukraine can be looked upon for guidance in regard to the evolution of the other Soviet republics.

Mr. Speaker: I should advise the House that I am going to break with our recent practice and I think the House will agree with the reason for doing so at this moment.

* * *

[*Translation*]

PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw the attention of the House to the presence in our gallery of His Excellency Mr. Jean-Bertrand Aristide, President of Haiti.

Some hon. members: Hear, hear.

* * *

[*English*]

HOUSING

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, the Minister of Finance in his answer to the Leader of the Official Opposition acknowledged the figures that were released by CMHC, indicating that housing starts had plunged by 13 per cent.

The Minister of Finance has several proposals made by the housing industry, such as the Canadian Real Estate Association proposal dealing with RRSPs and the 5 per cent down payment for home buyers.

When will the government take action on these proposals and introduce pro-active policies to kick-start the housing industry?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, just to reiterate, the housing starts have been strong: 204,000 housing starts in the month of October. That was the highest in 17 months. I acknowledge as I indicated in an earlier answer that anything that would stimulate the housing industry further still certainly has a very major spinoff effect upon the total economy.

The two proposals to which the hon. member has referred are proposals that I am looking at very carefully with my colleague, the Minister of Public Works and minister in charge of CMHC. Hopefully we will be able to come up with some positive actions on those fronts. I hope to be in a position to announce the results of that review in the not too distant future.

Mr. Joe Fontana (London East): Mr. Speaker, this government should start walking down Main Street, Canada, and see the real world out there. According to CMHC, federal housing programs are not reaching over 1.25 million households that are in need of assistance, and yet this government keeps slashing dollars and programs. This is unacceptable, uncaring and irresponsible.

I want to ask the Minister of Finance when this government will honour its commitments and its responsibilities and restore the funding to build affordable housing units and co-operative units in this country.

Mr. Dave Worthy (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I think it is most important to put this matter in its proper perspective for the people of Canada. There are over 640,000 housing units for people who are now getting assistance from the federal government. That is 40,000 more this year than there were last year. There has been $116 million put into an increase in housing assistance.

I think the hon. member should realize that people in Canada are asking: Do you want to raise taxes to do that? Should this government act responsibly? We say yes, we should, and we will continue to do so.

* * *

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I want to ask the Prime Minister who, after meeting with Premier Wells yesterday, undertook to his great credit to reassess the fishery reforms announced last week by his Minister of Fisheries and Oceans, a hare-brained scheme if ever I saw one and whose only motive must have been to put Atlantic fishermen at each other's throats.

I want to ask the Prime Minister if he will now instruct the minister to get down there and talk to the Newfoundland government so that any changes in fisheries management reflect this new spirit of co-operation between the federal and provincial governments.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I did not undertake to reassess the minister's programs. I undertook to look at a plan submitted by the provincial government.

Mr. Simmons: That is not what the press said.

Mr. Mulroney: Well, if it is not what the press says you can blame them, not me. I apologize, Roger. They are always right. I am sorry.

• (1440)

As a Newfoundlander, I think my hon. friend would want me to raise the fact that last night a thousand Newfoundlanders gathered to pay tribute to one of the greatest sons of Newfoundland, the hon. John Crosbie.

Some hon. members: Hear, hear.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I have a supplementary.

On October 21 of this year, that son of Newfoundland—

Some hon. members: Hear, hear.

Mr. Tobin: —said that every fisherman or plant worker who qualifies for assistance under the Fisheries Assistance Program will get that assistance or "My name is not John Carnell Crosbie".

I want to ask the minister of fisheries, that son of Newfoundland, why some 150 fishermen and plant workers on the great northern peninsula and hundreds more around the province have been disqualified for assistance under this program, assistance that they are fully qualified for.

Will he keep his word of October 21? Will he see that they get assistance? Will he see that he can continue to call himself not only a son of Newfoundland but John Carnell Crosbie?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I am glad to report to the House that a son of P.E.I., Premier Ghiz, attended our magnificent PC fund raising function last night in my honour.

He spoke very eloquently on the question of national unity. He is a Liberal who has some clarity of thought and who knows where is the best place to be. He is certainly to be admired.

To the hon. gentleman's question: I believe that everyone who has met the rules of reasonable attachment to the fishery has been looked after in this program. If they have not been looked after, then they are to be considered and reviewed.

The problem in Newfoundland is this. There are a great many people who are unable to get work or who are coming off unemployment insurance and who do not have the necessary attachment to the fishery. They cannot get work, and that is an argument for a job creation program.

Unfortunately they do not meet the terms and conditions laid down for this particular program which was to deal with catch failure and which is dealing with it. I am going to continue to call myself John Carnell Crosbie and to attend such functions with the Prime Minister as last night's function.

You did very well, Prime Minister.

* * *

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, I have a question for J. C. as well.

It is about the flagship of freshwater research in Canada. The Experimental Lakes Area Program was identified in last week's Auditor General's report as nationally and internationally significant.

Since this program is critical to our understanding of acid rain, Great Lakes water quality, sustainable fisheries, mercury and methane production related to hydroelectric projects and to the accurate measurement of global warming, I wonder if J. C. would explain why funding for this crucial scientific study has been cut by more than 70 per cent since 1976. Will he fully restore it?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, obviously acid rain has not affected the hon. gentleman's moustache.

Some hon. members: Oh, oh.

Mr. Crosbie: There has been some brain damage.

With respect to the Experimental Lakes Program, that program is not terminated. We have contracted with the Rawson Academy, which I think is a well respected environmental organization, to develop a business plan for the experimental lakes area.

That business plan is due to be completed in March 1992 and the work will continue. It is true there has been some reduction in spending due to spending pressures that affect the government as a whole, but certainly the work is going to continue.

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary is not for the same minister. It is to the minister responsible for the green plan. Since he has just released his anniversary check list which has been almost universally described as off target, without timetables and a slush fund for other ministers and their pet projects, will the Minister of the Environment take this opportunity to avoid the flim-flam and tell the people of Canada that this project in terms of the experimental lakes area will in fact be returned to full funding.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I am very happy to take this opportunity to respond to the member for Skeena on how far we are and all the work we have done with the green plan. In fact we are on target. We have met about 80 per cent of our commitment up until now on green plan expenditures. That is in excess of $1 billion in expenditures that will be put forward over a six-year period.

In fact this green plan he has just referred to is probably the world's most comprehensive environmental strategy.

[*Translation*]

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, first of all I would like to say we appreciate President Aristide's presence here, but we would prefer to see him in Haiti's Parliament, right now.

Some hon. members: Hear, hear.

* * *

[*English*]

SOVIET UNION

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I would like to pose a question to the Prime Minister concerning the historic and serious developments taking place in the former republics of the Soviet Union.

The secretary of state said yesterday that she welcomed these as a positive development. The Prime Minister today is saying that we are now proceeding with caution.

I wonder if the Prime Minister could tell us what it is that Canada is going to do and how are we going to proceed. Are we in fact withdrawing recognition from the present apparatus of the Soviet government, headed by President Gorbachev? Will we be extending recognition to the so-called new commonwealth? Will we be starting discussions to establish diplomatic relations with all the other republics of the former Soviet Union?

Perhaps the Prime Minister could tell us exactly what we are going to do.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I indicated that in response to another question. I understand that the minister yesterday said that it was a positive sign that the three republics wished to work together. Obviously anything that brings greater stability to the region is very much a positive sign.

When I was in St. John's yesterday and before the minister spoke, I believe, I indicated that the policy of the Government of Canada was that we would wait for

President Gorbachev's speech which he delivered later that day and that we would look at this with a great deal of caution because of the four or five concerns that I mentioned to the leader of the NDP, particularly the deployment and control of nuclear weapons on the soil of a number of these republics.

As we speak, events are taking place. We are being briefed on a very regular basis by our ambassador, our representatives in Kiev and elsewhere. We are monitoring it very, very closely so that the policy of the Government of Canada will become one that is helpful and constructive in pursuance of the four or five criteria I laid out both in the question of Ukraine and in response to the Leader of the NDP today.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, a supplementary question to the Prime Minister. One concern the Prime Minister did not raise in his early remarks was the arrangements made with the former Soviet government with wheat sales and over $2 billion worth of credit.

I would like to ask the Prime Minister specifically: Are we continuing to send food aid to the various republics of the Soviet Union? If so, under what kind of credit arrangements and what kind of repayment arrangements will we be making? Will those simply be held in abeyance? Will we continue that kind of important humanitarian aid during these very critical winter months?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I wrote to President Gorbachev a few days ago when we decided our course in regard to Ukraine. I conveyed to him the view of the Government of Canada, that we would be helpful to him as he grappled with these various problems my hon. friend has just raised in regard to foodstuffs, medicines and so on, particularly with the encroaching winter.

• (1450)

With regard to grain sales, I would have to check. But my recollection is that in the last major grain sale that was concluded by the Government of Canada through the Canadian Wheat Board, we received a counter-signature from the Republic of Russia. The Minister of Agriculture signals that is correct. We had the negotiations that took place in the normal course, but we asked for a further guarantee, and we obtained it.

INDONESIA

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is for the Prime Minister.

Yesterday, reacting to recent killings in East Timor, the government supposedly suspended $30 million of bilateral development projects in Indonesia. Yet, despite inquiries we do not know what projects are suspended. What is more, resumption of Canadian aid will depend incredibly upon the report of Indonesia's own commission of inquiry into the East Timorese killings.

Will the Prime Minister today demand an independent objective UN commission of inquiry into the East Timorese killings?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, Canada has suspended some development projects, as my hon. friend has suggested. About $30 million in projects will be affected.

As far as the role of Canada in calling for an independent UN inquiry into this, my understanding is that the UN Secretary-General has announced that he is sending an envoy to Jakarta. We want to see what the outcome of that visit is, consult with the United Nations as to what those findings are. Once we have that information then we will be able to make a decision as to which way we should be going.

Mrs. Beryl Gaffney (Nepean): My question is for the same minister.

A $30 million suspension of aid to Indonesia is significant, but it is still only a fraction of what Canada should be doing.

Will the minister today assure the House that Canada will finally withdraw its total support of this despotic regime and immediately support United Nations Security Council resolutions 384 and 389 which call for the withdrawal of Indonesian troops from East Timor?

[*Translation*]

Hon. Monique Landry (Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, as my colleague answered

the hon. opposition member, we indeed suspended three aid projects totaling $30 million.

I would like to ask the opposition where it stands on aid to Third World countries. The projects being maintained in Indonesia—and I would be very happy to list them in this House if I had enough time—directly help the people.

I have the list of projects—and I could name them—which directly support the people through Canadian non-governmental organizations. What does the opposition want? Does it really want to help the people? That is what we are doing by maintaining some aid projects that really help people at the grass roots.

* * *

[*English*]

THE CONSTITUTION

Mr. Lorne Nystrom (Yorkton—Melville): My question is for the Minister responsible for Constitutional Affairs, Mr. Speaker.

As the country knows, the Prime Minister has been meeting the premiers from one part of this country to the other and the minister himself said that in the new year he wants to meet the premiers regarding the Constitution.

I wonder if the minister can tell us two things: First, as a result of discussions that have already taken place, have there been any changes to the proposals that the government has tabled on the Constitution; and, second, can he assure the House that if discussions go on in the new year with the premiers and with the officials from the provinces that any changes agreed to between himself and the federal government and the premiers will be told to the committee right away so that the work of the committee could be as meaningful as possible?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I am rather surprised by the question. Any changes that will come to the proposals will be changes made by the special joint committee. That has always been the understanding of the House and the government. I have made that clear on a number of occasions.

I think the hon. member and other members in the House would want me and would want others in the country to do everything we can to encourage people who have concrete improvements to suggest to bring them forward so that we are dealing with very specific suggestions for improvement of the proposals we brought forward in September.

Mr. Lorne Nystrom (Yorkton—Melville): I thank the minister for his reassurance that the committee will of course be told right away, and the committee itself will recommend the changes.

[*Translation*]

But yesterday in Montreal the minister met the group on the economy and the Constitution, including the president of Bombardier. This group suggested abandoning the economic union proposal. I agree but for different reasons. However, I have the following question: To make it easier to reach a national consensus, is the minister prepared to act on a suggestion made by this important group from Quebec and drop the proposal on economic union?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I think the second question is the exact opposite of the first one. We are now asking Canadians to suggest improvements to our proposals.

Yesterday, here in Ottawa, I was delighted to have a conversation with a group of business people from Quebec who were interested in efficient federalism and suggested a number of changes. I think they will have an opportunity, either today or tomorrow, to present the same proposals before the special joint committee, and I hope the committee will consider those proposals. As far as we are concerned, we made some proposals and we will continue to urge Canadians to suggest improvements, but it is up to the special joint committee to make the next changes, to take the next step toward developing a Canadian constitutional position.

* * *

[*English*]

AUTOMOBILE INDUSTRY

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Transport.

The Canadian automobile industry is having difficulty competing with used U.S. cars and trucks entering Canada because some of the standards outlined in the Motor Vehicle Safety Act are not being enforced on U.S. vehicles.

The Department of Transport is currently drafting new rules to address this situation, but in the meantime will the minister assure the Canadian industry that the present rules will be equally enforced on both Canadian and U.S. products and that new rules will require U.S. vehicles to compete and meet exactly the same standards as Canadian vehicles?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I want to commend the hon. member on his tenacity in this matter. I can assure the hon. member and the industry that no vehicle will be allowed entry to Canada that does not provide the same level of safety as any vehicle made in Canada.

His concerns and those of the industry have been taken into consideration. We will be circulating a consultation paper on the different options, for instance auto maker regulations, before Christmas and we will make sure that the safety of vehicles made outside Canada meet the standards of the vehicles made in Canada.

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AGRICULTURE

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, my question is for the Minister of Agriculture.

For the sake of supply management Canadian agriculture needs a strengthening and clarification of article XI of the GATT. Some of the vibes we are getting from overseas are not positive. The free trade agreement has already left many Canadian farmers vulnerable to unfair competition from the United States and if we lose at the GATT, Canadian farmers will have nothing left with which to defend themselves.

I want to ask the Minister of Agriculture whether he can assure the House today that his government will accept absolutely nothing less than clarification and strengthening of article XI.

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I guess I would reply to the hon. member by asking him a question. Is he suggesting that out of 108 countries Canada should not sign a GATT agreement which would benefit this country, would benefit agriculture? We believe we have developed a policy with the producers and with the provinces in both the elimination of export subsidies which are distorting the market and strengthening and clarifying article XI that will allow supply management to continue in Canada, that will allow the export part of agriculture to grow. In that we are firm. We have the support of the industry, and I hope I have the support of the hon. member and his party opposite in attempting to put in place something that will allow supply management to continue in this country.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I think the minister just told us that he has caved in.

[*Translation*]

I have a very specific supplementary on a subject I raised yesterday: Could the minister give the House the assurance that the quantitative controls that exist today under article IX of GATT will be maintained after the current negotiations? Yes or no?

• (1500)

[*English*]

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, if the hon. member has been following the debate he will know that is exactly why we are putting forward the position that we want article IX strengthened and clarified, so we can meet the end that he has just asked me about.

* * *

AEROBATIC FLIGHTS

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, my question is for the Minister of Transport.

As the minister is aware, his permit to allow irregular and unsafe flying above the community of St. Andrews is due to expire. The permit in question allows irregular aerobatic flight within metres of a large housing development at St. Andrews, when a special flight area designated for aerobatic flight already exists only seven kilometres away.

Is the minister going to deny his permission for this irregular flight by directing the aerobatic flights to the nearby special flight area already designated for such activity, or is the minister casting some doubt on the

safety of his department's special use areas all across the country?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I must inform my hon. colleague that we do not have a final decision on this matter yet.

My colleague, the minister of state, has undertaken to look into all the concerns raised and we will be getting back to him very soon.

Mr. Speaker: The hon. member for Dartmouth, a single question. This will be the last question.

* * *

PHARMACEUTICAL INDUSTRY

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs.

The minister knows that the drug patent protection legislation has been offered as a negotiable item of GATT, a move that will threaten thousands of jobs in the Canadian pharmaceutical industry.

I ask the minister to please clarify. Is he for or against increasing patent protection from 10 to 20 years and is compulsory drug licensing now on the table at the GATT?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I am happy to receive that question. I think my hon. colleague will agree with me that the bill we put in place in 1986-87, C-22, was a great success because we got the increase in prices lower than inflation. We also got a large investment.

I can give a few of them if you want: Bristol Myers, $151 million; Burroughs Wellcome, $20 million; Ciba-Geigy, $225 million; Eli Lilly Canada Inc., $70 million; Boehringer Ingelhien Canada Ltd., $135 million; and Glaxo, $275 million. All those investments were just because we put in place a legislation that allowed research and development in Canada.

* * *

PRESENCE IN THE GALLERY

Mr. Speaker: I draw the attention of hon. members to the presence in the gallery of Ms. Joan Sawicki, Speaker Designate of the Legislative Assembly of the province of British Columbia.

Some hon. members: Hear, hear.

POINT OF ORDER

QUESTION PERIOD

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I would just like to remind the Chair that today in Question Period while there were more than two dozen questions from opposition members, the Chair allowed only two questions from this side of the Chamber. Both of those questions were in the last five minutes of Question Period.

I would like to remind the Chair that some other members of the government side came to Question Period today with questions to ask of the government. A number of our constituents—

[*Translation*]

The Acting Speaker (Mr. DeBlois): I would simply remind the hon. member that this point has already been raised several times in the past and that the Speaker can only give the same answer. If the hon. member has certain matters to raise, he knows very well that there is a parliamentary committee on House management and he can make suggestions to improve the Standing Orders if he sees fit.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—CANADIAN ECONOMIC SITUATION

The House resumed consideration of the motion of Mr. Chrétien (p. 6042), and the amendment thereto of Ms. McLaughlin (p. 6057).

The Acting Speaker (Mr. DeBlois): The hon. member for Carleton—Charlotte has one minute left.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I am not sure what I can say in one minute, but I think I can at least invite—

Some hon. members: Take your time.

Mr. Thompson: I guess by the sound of it they are going to give me more than one minute.

I do have 10 minutes that have been allotted to questions and comments. I may extend that courtesy to opposition members at this point and respond to some of

the comments. If they do have a question or critique I would be more than willing to take them.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I was listening to my hon. colleague's address just prior to Question Period. I know that he would not want to mislead this House and the Canadian people. He referred to a debt of $200 billion. I have a signed letter from the former Minister of Finance pointing out that when they took over government the debt was in the neighbourhood of $168 billion. I can table that signed letter if he wishes. I would appreciate the acknowledgement and the correction.

My colleague indicated that if he added the interest rate only to that particular debt at the time the government inherited it, it would add up to the current debt. Not so. He knows it, and if he does not he should because I have done the mathematics. I have had it checked out. It is an incorrect statement. I wish that he would acknowledge that as well. I am sure that he would like to do that and I will give him the opportunity.

The other question that he has not addressed is the whole question of revenues. When the government came into power it had revenues in the neighbourhood of $70 billion. This year the revenues will exceed $130 billion. It is roughly a $60 billion increase, almost twice as much. What has it done with the Canadian taxpayers' money? That is what I would like to know.

In a final point, the government boasts about controlling the debt. It is very easy to control the debt if you give it to someone else. That is exactly what they have done. They have given it to the provinces who have given it to the universities, the colleges, the hospitals, the Canadian taxpayers, the students. Do not brag about controlling the debt. It is no different than if I were to walk around and parcel out my own debts to all of you and then walk out and say that I am debt-free or I have less debt than you have.

The debt in 1984 when they came into power was not $200 billion, as he and a number of people say. It is not correct to say that if you add the interest rate only it would generate the debt we have today. That is not an accurate statement. Of course it does not even address the question of high interest rates that existed and in fact created additional debt. That is another issue. The revenue has increased. It is almost double. I would like a comment on that.

Finally with regard to the control of the debt by offloading it on to the provinces, I think a number of statements were verging on being somewhat irresponsible and certainly exaggerated.

Mr. Thompson: Mr. Speaker, I am more than willing to respond to that. If the member has the figures he tells us he has, he should table them in the House. I stand by my statement and the figures I have used and virtually every member in this House uses including the opposition. The figure is a very real figure. We have inherited a $200 billion debt.

The fact still remains that if we take interest into account in calculating the figure we have today, the accumulated debt in this country today of $390 billion is simply interest on that debt. He can shake his head and argue all he wants. The facts are there.

If the hon. member has further facts or evidence that he wants to promote, he better present them to this House. Up to this point he has not.

• (1510)

The party arithmetic it uses is simply not the kind of arithmetic Canadian people will put up with because it is not factual. It speaks volumes about the hon. member. He is lost in his own rhetoric.

There is no question about it. The interest we are paying today on the debt in terms of Gross Domestic Product is much less than when we took office. I used those figures earlier this morning to indicate we have made progress. As the Canadian economy has continued to grow under this government, the percentage of Gross Domestic Product that has to service the debt is less now by half of what it was when we took office in 1984. Those facts cannot be disputed.

Mr. Sid Parker (Kootenay East): Mr. Speaker, I would like to question the member for Carleton—Charlotte.

When this government ran for office it talked about accountability. It did not mention the deficit at that time. It told the Canadian people how much better it could manage the economy and how much better it could govern.

The fact remains we have all these people unemployed across Canada. We have a situation where the government promised jobs, jobs, jobs. It found money to fight a war in the gulf, but it cannot find the money to put people back to work. We have people all across Canada who are unemployed. It is cutting Canadian assistance

programs across Canada. It is cutting medicare and equalization to the provinces. It is cutting the very network of our Canadian economy. It is saying to us that we are responsible. I want to say it has an accountability problem. It promised the Canadian people it was going to answer their problems. It has not answered them.

What is the government going to do with the unemployed especially at Christmastime when people are lined up at the food banks? What is it going to do to assist these people and get them back to work so they can be part of the Canadian society we all want?

Mr. Thompson: Mr. Speaker, this question of what the government intends to do specifically was answered in Question Period by the Prime Minister.

What the government is attempting to do in this country can be better addressed in the over-all picture. It is attempting to get the fundamentals right. One of those is simply to pay down the debt and get out from beneath the crushing debt load that we have as Canadians.

The truth is that 35 cents out of every tax dollar going to Ottawa today services interest on the debt. Just imagine what we could do for the poor and unfortunate in this country, for the Canadians that really do need help. Just imagine what we could do if we did not have to send 35 cents of every tax dollar to pay interest on the debt. That is the real answer to the problem.

We know that the problem is there. We are doing our best to address it on a day to day basis. The real answer lies in coming to grips with debt and deficits in this country. That way we are going to utilize Canadian taxpayers' dollars the way they should be utilized to help the less fortunate than ourselves.

It is interesting to note that last year the United Nations did a study of 162 countries in the world in terms of how they deal with their people and the level of support they give to their citizens. Everything was measured in regard to help to the poor and elderly, housing standards and social benefits of all sorts. The only country in the world that beat Canada was Japan. Canada came in number two and Japan was number one. Canada came ahead of 160 other countries. We are doing a good job, but there is more to be done. That more means working together to rid ourselves of the debt that restricts us from doing the very things he mentions.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Very briefly, the hon. member for Longueuil. Very briefly, please.

Mr. Nic Leblanc (Longueuil): Mr. Speaker, the hon. member talked about free trade. I want to tell him that I was also in favour of free trade during those talks. Unfortunately a year later people in Quebec and Canada were told that from now on they would have a huge open market to sell their products. They started spending money to open offices and promote products to the United States. At the same time they were told they would also have to train their employees and improve their equipment in order to produce more efficiently and be more productive.

Unfortunately a year later the government raised interest rates and kept them high for a long time. It also raised the value of the Canadian dollar so that Canadian companies started going bankrupt. Instead of helping, free trade was hurting the economy because the government was inconsistent in its policies.

When the hon. member tells me Canada is a prosperous country, I say that Canada would be a prosperous country if the government could be consistent. To be consistent, we should not have 11 political powers in this country.

What can he tell me? I do not have much time, Mr. Speaker, so I will get back to that.

[*English*]

Mr. Thompson: Mr. Speaker, I want to address a couple of points raised by the hon. member. Certainly the member is well informed enough on the economic side to realize that the value of the Canadian dollar is simply a reflection of the confidence that is placed in Canada as a country in which to invest. Internationally we are held in very high regard. That is really the reason for the high Canadian dollar. No economy in the history of the world has ever gained anything by artificially reducing the value of its currency. I hope the member is not suggesting we do that.

Interest rates right now in Canada are the lowest they have been in 20 years. That is something that will pay dividends to all of Canada for the next number of months.

Mr. Whittaker: Mr. Speaker, I would like to inform the House that the 20-minute and 10-minute question and answer periods will be split with the House's permission with the member for Comox—Alberni.

The Acting Speaker (Mr. DeBlois): There is no problem. You do not require unanimous consent for that. You have the floor for 10 minutes.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I think it would be helpful at the outset to set out the opposition day motion that is before the House to put my remarks in context. The motion reads:

> That this House condemn the government for economic mismanagement that has led to an intolerable and tragic level of unemployment, business failure and poverty in Canada.

I think the motion comes at a very appropriate time when one considers what is occurring in Canada today as a result of monetary and fiscal policies that this government has pursued consistently since 1984, and more particularly since I have been in this House from the fall of 1988.

If we look back at the record of this government, in the three years that I have been here we have seen a free trade agreement, high interest rates, the dollar rate go to unprecedented highs and the GST come in with devastating effects. We have looked at more and more taxation on the business community through things such as unemployment insurance and, if the government has its way, through a further tax on businesses through its Bankruptcy Act.

I put my remarks in context with some of the most recent figures that have come out with respect to both business and personal bankruptcies. They show an all-time high in October with a total of 6,896 businesses and consumers declaring bankruptcy. Of those 5,740 were consumers declaring bankruptcy in October. This figure is 20 per cent higher than last October and 10 per cent higher than last month. Over 60,000 consumers have had to declare bankruptcy over the past 12 months. Of the total of over almost 7,000 businesses and consumers 1,156 of those are businesses that went bankrupt. Most of those were in the small business sector. This figure is 22 per cent higher than last month and 1 per cent higher than a year ago. Over the past year there have been 12,952 businesses that have been forced into bankruptcy.

• (1520)

We look at the causes. Why are these people and these businesses being forced into failures and bankruptcies at this particular stage? It is easy to say that we are in a recession and those types of things happen in a recession. It is very clear if we look at the history of this recession that Canada entered this recession long before others did because of the policies of this government. Those policies exacerbated a problem world-wide and brought it on much more rapidly in Canada than anywhere else.

When I was on the finance committee looking into the technical paper on the GST, we were warned time and time again that we would be in recessionary times by fall of 1990 and early winter of 1991 and if the GST came in at that time it would make the problem much worse. It would accent the problem to such an extent that it was predicted by the treasurer of the province of Alberta, a Conservative also, that we would fall far behind. We would fall so far into the depths of recession business-wise and consumer-wise that we would never be able to crawl out of the pit that had been dug for us by this government with its monetary and fiscal policies and particularly the GST.

Recently we looked at a number of studies on the goods and services tax as one of those examples of what is happening. We look at the advent of massive cross-border shopping and what the reasons are. Being from a community and a riding that borders the United States in south central British Columbia, it is very clear that the problem was increased substantially by the GST. It was added on to the back of the high rate of the dollar. People know that in Canada they are being taxed out of existence by this government and they are willing to close their eyes to all the benefits we have and go across the border.

For the small business community that is devastating enough. But look at what it costs them for the implementation of this devastating goods and services tax. In British Columbia alone, my home province, a recent survey by the Canadian Federation of Independent Business shows that the average cost for each firm to implement the goods and services tax was $4,190 per firm. The ongoing costs of administering the GST were shown at $430 per month. The total cost for business in British Columbia appears to be close to $1.3 billion. That is money coming out of the very pockets of the business community that we have to look to, to climb out of the

recession. This is the very community that creates 85 per cent of all new jobs within Canada and keeps within Canada almost all profits from small business community and reinvests it in its own country.

This is what this government is doing with the goods and services tax to our small business community. The ongoing costs of complying with the goods and services tax has been shown in that recent survey to be $9.6 billion for Canadian business. Small business bears 82 per cent of the implementation costs in the paperwork and administration of the goods and services tax.

Is that fair taxation? Is that being fair to the community that we look to for assistance within Canada? The answer is a resounding no, no, no, it is not fair. We have to look at this. The New Democratic Party has. It has agreed with small business within Canada that the goods and services tax must go.

There is no doubt that this puts small businesses and small firms at a serious competitive disadvantage in relation to the larger firms. It is a regressive tax that has been shown to cost small firms with less money coming in much more in GST administration than it does for large firms.

It is apparent why larger firms are in agreement with the goods and services tax and why small business is hurting so drastically.

Let us look again at some of the devastating effects of the Conservative agenda in banking. It takes so much from the banks at election time that I guess it is their turn to pay something back.

The cost to small business when it comes to the service charges for use of credit cards is hundreds of millions of dollars a year alone.

If we look at some of the anticipated revenue of the GST we can see that once again this tax hurts small people as well as small business.

Look at the anticipated GST revenues from the sale of clothing. Children's clothing that has been hitherto untaxed by this government will now be included with adult clothing. This will bring into the coffers approximately $1.24 billion from the goods and services tax. Those are dollars out of the small person's pocket and out of small business.

Home heating oil tax will bring in $345 million out of the pockets of small business and the community. Transportation purchases will bring in $475 million. Non-prescription drugs will bring in $140 million.

It is very apparent that the monetary and fiscal policies and the direction that this government has taken this country have been nothing but devastating to the people of Canada and particularly for small business.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I would like to thank the member for offering his views and opinions to the House today.

I am somewhat puzzled by his speech. His speech is full of criticism and I think that there are reasons why you should be criticizing the government policy.

However what I noted is the absence of any plan or master plan by the member for the New Democratic Party in relation to how they would deal with the emerging global economy given the new dynamics that are at play today internationally.

In my speech this morning I not only criticized the government but clearly laid out the five economic principles that we Liberals have.

I think there is an obligation also on the opposition side of this House not to merely criticize the government. We should also offer concrete alternatives. I would like to hear from the member what his concrete alternatives are and what is the new master plan of the New Democratic Party of Canada toward addressing the very serious concerns that Canadians have.

• (1530)

Mr. Whittaker: Mr. Speaker, I think it is very apparent. I thank the member for his question. But had he been following over the past few years the New Democratic Party, which obviously he has not, he would have seen that there have been very positive responses to global economy. Unlike the Liberal Party we were willing to present to the people of Canada alternatives to the GST for their scrutiny.

I wondered at that time where the Liberals were. Where were the Liberals? When I sat with them on the

finance committee I found that their main critic from New Brunswick in fact kind of liked the goods and services tax. The Liberal Party was widely split on whether they should agree with the goods and services tax or not. We watched the flip and the flop and the flop and the flip and the belly flop of the Liberals as they flopped back and forth deciding whether in fact they were going to go along with the goods and services tax, whether they liked it or whether they did not. But did they put forward any alternatives? No, they were bankrupt of ideas as so many small businesses are now bankrupt. They had no ideas. They had to decide: "Do we like it or do we not like it? What are we going to do about it?"

What happened was that they decided they would come out in opposition to it without ever looking at what they should do in place of it. We were very solid in looking at it with economists, with people from around the country and others who had worked with goods and services tax and value added tax areas in other countries. We were trying to come up with reasoned and reasonable alternatives to the goods and services tax.

In our minority report in the finance committee we put forth those alternatives.

Similarly I think if the member looks at places like British Columbia, where people have just recently had the good sense to elect a New Democratic Party government with new Premier Mike Harcourt, he will see that the realization has to be that we cannot continue to simply run across the border to the United States. The future of Canada is with the rising sun and not with the setting sun to the south. We have to look at our Pacific Rim countries. That is what Mr. Harcourt, the premier of British Columbia, has done. He has gone across in his first overseas trip to ensure that at least the west coast of Canada is recognized where future markets will be. We are looking in the future to the birth of new trade partners and not at the death of old trade partners.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I very seldom intervene in the process of questions after a speech, but I cannot let the hon. member off the hook when he comes up with statements that are either misinformed and/or incorrect.

For example, he blames the GST on the increase of cross-border shopping when he knows full well that the recent report by Statistics Canada concluded that in fact one-day trips to the United States since January 1 of this year decreased. That is incidentally when the GST took over from the old federal manufacturers' sales tax. The increase in cross-border shopping has decreased.

Second, he talks about the CFIB report about GST and cost to business. It has been made very clear, not only in this House but by analysts from coast to coast, that the report was flawed in its methodology. In fact I have here a letter to Mr. John Bulloch from Didatech Software Limited in Burnaby, B.C.—the hon. member's province—which says that Mr. Bulloch's report was flawed. It concludes in saying:

> I run a small company employing 12 people and have sales of around $1 million per year. The GST has improved our ability to compete and export to the U.S. market. We spend a trivial amount of time administering the GST. In fact the only problem with the tax is that it does not apply to everything.

It is signed by Paul Melhus, president of Didatech Software Limited.

I would like the hon. member perhaps to respond to that constituent from British Columbia who supports the GST over the flawed manufacturers' sales tax which has harmed Canadian businesses.

Mr. Whittaker: Mr. Speaker, it is very difficult to answer that question very briefly, but I will try.

First of all, regarding cross-border shopping, it is very interesting that the minister uses statistics that are now newly adjusted, but if he looks at Statistics Canada's own figures he will see that the dollar value of the amount that is coming across the border has gone up by those same figures.

Regarding CFIB cost to business, he points out that its methodology is flawed. Over the past few years we have seen this same government when it suited its purposes using CFIB figures saying: "Here is the situation".

He gives us one example of somebody who agrees with the GST. This summer I went around and talked to the forest industry and larger industries that have been hurt by the GST because of the administrative costs. I have talked to other small industries that are telling me they are being put out of business by this government and its tax policies.

I think the minister had better open up his eyes, talk to the people of Canada and recognize that this GST is hurting Canada and has to be done away with.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I want to express appreciation to my colleague for sharing this time that we have to debate this Liberal motion. I want the House to know that I fully support this motion about the mismanagement of the government which has plunged this country into the kind of recession it is currently experiencing.

I suspect that the majority of Canadians living today have probably never gone through a period like the great depression of the 1930s. Most of us in this House were either too young to get the full impact of the experience or, like myself, were born during the war when the economic situation had changed or were part of the post-war baby boom that took over after the war.

I suppose the last two recessions, 1981–82 when the Liberals were in office and the current recession created by the Conservative government, are the only things that really come close to helping us experience what people went through during that period of recession back from 1929 through 1939.

At that time commodity prices on the farm and elsewhere plunged to record lows. Farmers, fishermen, people working in the forest industry, people working in industries across Canada, their commodities plunged to such a value that they could not even recoup their operating costs much less earn a profit.

Unemployment skyrocketed at that time. Unemployed young men ended up travelling back and forth across the country seeking employment. They were not lazy by any means. They were seeking work. As a result of government policies work simply was not available no matter where they looked in this country and they were certainly attempting to look.

Many of us who grew up during the depression or were born during or just after the war really do not have any kind of understanding about the impacts of that depression. We were brought up in an era when governments were taking steps to learn from what caused the depression, taking steps to implement policies which they felt would result in no new depressions of the type they had gone through between 1929 and 1939.

I recall books about the depression, for example Pierre Berton's book. Even R. B. Bennett at the end of the depression just before the election of 1935 was getting on the radio and saying: "Maybe Roosevelt's deal was the right thing, maybe we were doing the wrong thing here in Canada".

Even R. B. Bennett was proposing measures which would have brought people back into the work force, which would have stimulated the economy, which would have assisted areas of the country that had suffered more from the depression than other areas, which would have brought people back to work rather than sticking them in military style relief camps or concentration camps along the lines that were proposed by Mayor Charlotte Whitton, a former mayor of Ottawa.

I was brought up in a period when governments took great steps to implement measures which would prevent the onset of another depression like the one they had experienced between 1929 and 1939.

• (1540)

What they decided was the cause of the recession was unlimited *laissez-faire* market systems. Even R. B. Bennett in his radio programs back in 1935 was suggesting that the time for the *laissez-faire* market system was over. It had failed. It caused the depression and what they had to look at was more government involvement.

This was coming from the mouth of one of arch Conservatives of his day. He was saying that the *laissez-faire* market system had failed Canadians, had failed the people of the world and what was needed was more government involvement in the development of the economy, more regulation of the marketplace and of private industry in order to protect people from the onset of another recession or another depression like the great depression of the 1930s.

I am a person who grew up in that kind of an economy. My experience of that economy, although my family was relatively poor, is that it was a benign economy. It was not the kind of economy that we are experiencing right now. Government was involved in the economy. Government brought in the Canadian Broadcasting Corporation and Trans-Canada Airlines. It was involved in transfer programs that assisted the less developed parts of the country. It was involved in transfer programs between the federal government and what were known as the

poorer provinces in order to help upgrade the standard of services available in those provinces.

All of these measures were brought in by governments after the last depression in order to avoid the onset of another one. Things like the progressive income tax system and the distribution of wealth and income in the country were seen as necessary in order to prevent another depression.

Things like the Canada Assistance Plan, Established Programs Financing and national medicare were brought in I suppose at the end of this period in the 1960s to make sure that services were provided at a decent standard across the country.

Unfortunately in the 1970s and the 1980s that old phenomenon of Conservative ideology and the free market ideology resurfaced again. The pendulum swung back to the right. That is the kind of problem that we are wrestling here with now.

All of the regulations that were brought in after the depression and after the war in order to prevent the onset of another depression, all of those things which were brought in by both Liberal and Conservative governments of the day, are now in the process of being dismantled.

Regarding provincial transfer payments, we just passed legislation within the last couple of days to do away with some of those programs by capping them and by starving them to death.

We now as a result of the actions of this Conservative government have begun to dismantle the unemployment insurance system.

It is great to read the statements of R. B. Bennett and Mackenzie King during the last depression because they are so similar. They all were fiscal tinkerers and they all were concerned about balancing the budgets. The only thing they were not concerned about, the only thing they did not want to hear about, and I noticed it in the speeches being made by the Conservatives on the opposite side of the House, was the debt solution program which has not solved the debt crisis.

They talk about their inflation programs which have not solved the depression crisis. They talk about all of their fiscal tinkering and their financial programs, none of which has resulted in a single new job within the last little while.

The problem here is that the neo-conservatives of today—and there is no such thing because it is a contradiction in terms—are just like the old Conservatives at the time of Herbert Hoover and Calvin Coolidge. These are the kinds of people who took us into the depression last time. These are the kinds of policies that created the depression last time.

It is amazing how the statements made by people on that side reverberate all the way back to the 1920s and the 1930s. You can see exactly the same statements almost word for word. The problem here is that Conservatives create depressions. Tory times are hard times. When it comes to management of the economy, the Tories put ideology before practicality and that is the problem that Canada is experiencing right now.

If it were not the case then maybe the minister could get up on his hind legs for a change and tell me why we have two million people unemployed in this country. Why do we have a million kids living in poverty? Why do we have hundreds of thousands of people going to food banks under a Conservative government while the Minister of Finance here gets up and says that prosperity is just around the corner or that he can see the light at the end of the tunnel? He wonders why all his programs are not working.

In order to get these programs working, you have to focus them on the people who really need them and they are the poor, the unemployed, those people who do require food banks. Those are the people who need the focus of this government's attention and those are the people who are not getting it.

We need employment programs to put those people back to work. We need training programs in order for those people to be trained to deal in the economies of the future and to be able to survive in the economies of the future.

We have a government that is cutting back on those programs and cutting back on funding to the provinces. The problem here is that we have a Conservative government. It is going to be replaced by a Conservative government that now goes under the title of Liberal and that is going to be the problem.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I think the member was right that there is a

pretty good chance we will probably replace this government, but you can be darn sure that our policies would show a lot more caring than some of the policies of this government. We will talk about that later.

I have a question for the member because I need a bit of clarification. I have a New Democratic Party government in the province of Ontario right now and the way it is behaving, to quote my colleague from Kingston and the Islands, it seems from time to time that it is rather hopeless.

I would like to ask a question of the member for Comox—Alberni. Would he rather pay people from the public purse who are on unemployment not to work or have the people who are unemployed work on capital projects, environmental projects, something like the Company of Young Canadians working in the Third World or whatever? I am just trying to seek a clarification here from the member in terms of work ethic. In other words, we talk about people wanting to work and putting people back to work. Would he go so far as to say that it would be a much better thing for the productivity and the spirit of this country if those people who are unfortunately out of work because of a depressed economy or whatever had some kind of a constructive, productive thing to do rather than sitting at home collecting unemployment cheques or welfare cheques?

Mr. Skelly (Comox—Alberni): Mr. Speaker, I would like to thank the member for his question.

I just want to go back to the first part of his question and the concern that he has about the government in Ontario. I am sure that the Government of Ontario would have had a much better idea of how it was going to run the province had it been given an honest answer as to how much money had been left in the treasury.

I recall seeing a cartoon in *The Toronto Sun* in which the Liberal treasurer of Ontario was taking Bob Rae on a transitional tour to the treasury vaults in the Parliament Buildings down there in Queen's Park and there was a mirror in the back of the vault. Somebody had smashed the mirror so it did not look like there was twice as much money as there was. He said: "Oh, one of the workmen must have shoved a broom through the mirror". There is only half the money available in the treasury. In fact the Liberals knew before they went into the election that they were going to be running a substantial deficit in the following year. They did not tell the people of the province the truth about that, and as a result it changed the whole perspective of the election. When people get into government and find out they only have half the money the previous government said they had, then we have a serious problem. That is the problem Bob Rae is dealing with right now.

• (1550)

The member asked me a question about how to get people in this economy back to work. I think it is possible to take a look at models that are available to us in other economies that have a relatively low level of unemployment and have a whole range of labour market strategies to deal with the problem of unemployment.

In most countries in Europe people retire voluntarily at the age of 55. Young people are able to move into the work force and take their place. In many cases they have better training. Many countries in Europe have paid educational leave. People can leave the work force and take a year or so of training to upgrade and become more skilled either in their own line of work or some other one. They become much more valuable to their employers and the economy as a result of that process of paid educational leave.

In most cases financing for those kinds of programs are paid in part out of collective agreements by employers and employees and are subsidized by the unemployment programs of the government. There are many ways that employment can be created and more people moved into the work force through expenditure on the part of all participants.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I understood that the member for Calgary was going ahead of me but that is no problem. I will be pleased either to yield to her or continue, whichever she prefers.

Mrs. Sparrow: *Après vous.*

Mr. Simmons: *Après moi.* I thank her. I was reflecting on the two Canadas when I was getting ready for this debate.

I see my friend, the Minister of Energy, Mines and Resources, is in good humour as is usually the case. It is good to see him.

I was reflecting on the events of yesterday. I touched on it briefly yesterday here in the House but I ran out of time all too soon, at least from my perspective. I was reflecting on the two events at the Radisson Hotel in St. John's, Newfoundland yesterday evening.

One of the two events took place inside the hotel and had a fairly elite group of people. The Prime Minister was quick to point out that they were Newfoundlanders all, and I do not doubt his word on that. We happen to have per capita more millionaires than anywhere else in Canada, I am told. I am not surprised they could find some people out there to sell—

An hon. member: Oh, oh.

Mr. Simmons: That is a remark I will not repeat because it could get the minister in an awful lot of trouble and I like him too well to do that. It is a terrible remark.

I say to him that one of the companies that was mentioned today, Ayre's Limited, which is obliged for various reasons to shut down 62 stores across this country, has its headquarters in St. John's, Newfoundland. It had its beginnings there a couple hundred of years ago. It is a company that has provided a lot of leadership in the retail area to the entire country.

I know his quip was in fun, but I say to him that Newfoundlanders have a way of making an honest day's pay too and providing jobs for many thousands of fellow Newfoundlanders and people all across this country. That is the case with Ayre's that until now had employed over 700 people across this country from coast to coast in 62 stores and would continue to do so but for the policies of this government. The Ayre family has a tradition of not being particularly of the Liberal persuasion and that should come as no surprise, having just given its pedigree. The Ayre family in its release today has identified the polices of this government.

These are not my words. They mention the free trade agreement. They mention cross-border shopping. The member from Calgary looks like she is interested in what I am saying, but she obviously did not hear what I just said. I just pointed out that they have 62 stores across the country from coast to coast, in Toronto, in Montreal, all across the country.

We from Newfoundland have been in Confederation for such a short period that sometimes you will catch us in an unguarded moment saying "country" when we mean Newfoundland. We still say that a lot back home. However, in this particular case when I said "country" I meant Canada. I meant from coast to coast. I talked about the Ayre's stores in Vancouver, Montreal, Toronto and points in between. There are 62 of them going under and being shut down because, in the words of the management of that chain of stores, of the policies of this government, a government that family had supported over many years.

That was kind of off the track, but the minister has helped me make a point. I want to make a second point, which was to have been my first point. In the Radisson Hotel last evening there were two events. First of all, there was one inside the hotel. This great hotel was funded by a Liberal government that said everybody else had a convention centre except Newfoundland. Why does Newfoundland not have one? The government of the day pre-1984 made the funds available and of course they actually flowed in early 1985 when my good friend, the minister of fisheries as he is now, allowed the money to flow. So the convention centre and the Radisson Hotel were built in St. John's.

There are those that will tell you one of the hotels, which I will not mention, is the Liberal hotel and the Radisson is the Tory hotel. I do not subscribe to that kind of nonsense. I stay at both of them, depending on the occasion.

There were two events last evening, one inside the hotel with the elite. Some of the Newfie millionaires and others who could fork over the 500 bucks to see the Prime Minister were there. Let us face it, he has not exactly been seen down there recently. He has not been down there since May of last year, although it is an important part of the country as I am sure you will agree, Mr. Speaker, coming as you do from another important part of the country, Quebec.

I suppose there are people down there who were anxious enough to see him that they would pay 500 bucks. But to pay 500 bucks you have to have it. But Newfoundlanders are always fairly ingenious and those of us who could not pay the 500 bucks found another way. We set up a little soup kitchen. This is the other event I come to. It was not quite in the hotel. It was on the premises if you like, just outside the door. The fee there was a little different. It was not quite $500. It was

50 cents for a bowl of soup. The bowl of soup was kind of secondary. The 50 cents was the same as the $500. It was to get a chance to look at the Prime Minister who had been missing of late.

It was also to help my good friend from St. John's West celebrate his 25 years in politics during which he has made a marvellous contribution to our province and to this country as a whole.

What else is different about the $500 and the 50 cents? They differ a lot if you subtract one from the other. You will get a fairly large sum. What else is different other than that one is a great massive amount of money that only some people have and the other is a small amount that most people would have.

What else is different? In those two events and in those two amounts you have the two Canadas. You have the two Canadas that are anticipated by this bill. You have the two Canadas that are already in the making by the policies of the gentleman from Baie Comeau. You have the Canada of the elite, the Canada of the well-heeled, the Canada of the people whose incomes are $100,000 or more and who in consequence had their taxes lowered since the Tories came to power by $1,200. That is right. They are paying $1,200 more now than they were in 1984 if they earn $100,000 or more. The other Canada is the 50-cent Canada, the soup kitchen Canada that has also been created by this honourable crowd, the Canadians who have had their taxes increased by $1,600 a year. They are paying $1,600 more in federal taxes this year than they were seven years ago when the Tories took office. Who is that group? It is the group whose salaries, whose income is $30,000 or less. Those are the two Canadas we are talking about. Those are the two Canadas this bill would perpetrate and carve in stone.

• (1600)

That is not the kind of Canada I envision. That is not the kind of Canada we need where one sits at the luxurious table and the other hopes to get near enough to the table to catch a few of the crumbs.

That is what this bill is all about and its predecessor bill from a year or so ago. It perpetuates an injustice that should never have been launched in the first place. Read *The Quick and the Dead*, the book by Linda McQuaig. I do not think she has ever been accused of being a Liberal, but she says some things we have been saying for a long time.

She says some things the whole country is saying these days. She says in effect this whole system, whether you are talking free trade, the GST or changes in tax law, is a sock for the rich. The Prime Minister and his friends are looking after their collective friends while doing a song and dance about how they really care about poverty and the unemployed.

They get up and cite figures. They play games with figures. The people out there are lining up in the soup kitchens. People who seven years ago were employed and would still be employed but for the devastation that this government has reaped on the country are lining up at the food banks.

I wish there was a bit more time, but I see my time is up.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I am pleased to put a question to the Liberal member who I think was a minister in the Trudeau government and also to make a few comments.

From 1975 to 1984 the Trudeau government tried so hard to centralize powers in Ottawa that it created a mighty confrontation with the provinces, especially Quebec.

In 1984 when the Conservative Party took power—I was then with the Conservative Party—it said three things. Decentralization was necessary to run the country better and to make it more profitable and prosperous. We had to decentralize. That was what the government said in 1984. It also talked about national reconciliation and about reducing the deficit because this nonsensical centralization of the Liberal Party had put the country some $200 billion in debt.

Seven years later we have exactly the same problem. The federal government wants to centralize more. National reconciliation has not happened. Instead of being reduced, the deficit has increased. It seems that we have an accumulated debt of around $420 or $430 billion.

Given these facts, I would like to say this to the Liberal member who had these problems in the Trudeau government, which have continued under the Conservative Mulroney government: Basically it little matters which of the two parties, Liberal or Conservative, runs the

country better. We realize that the present federal system does not work. The proof is that the present federal system is not working. Unless and until the government is highly decentralized this country will go broke. I would ask him who is more to blame. Is it the Liberal Party, which ran up a $200 billion debt for Canada or the Conservative Party which added another $200 billion? He talked about taxes under the Conservatives and I want to tell him that with a deficit as high as we have now taxes will continue to go up. What does he think are the solutions?

Mr. Simmons: Mr. Speaker, I want to thank the hon. member for Longueuil for his question. As he knows, and I imagine has guessed, I have constituents who are francophones and I trust I can make myself understood in French. Today I ask him to bear with me because I must speak English to be sure I make myself clear.

[*English*]

I do thank the member for Longueuil and I give him the undertaking that at the earliest possible opportunity I will do my best to respond to him in his mother tongue because I think it is important to have that courtesy extended to you, particularly when I represent several thousand francophone electors in the *péninsule Port-au-Port* in my riding.

The member asked a question to which I would like to respond. He asks: "Who is the most guilty?" When the Liberals vacated office in 1984 the debt was of the order of $170 billion to $180 billion. But if people who want to be fair critics of the situation would go back, they would find that the debt mushroomed in the last five or six years of that regime.

It was not without some explanation. Do not forget that the early 1980s were a very rough period on the world scene. We had come through a recession the likes of which we had not seen during the depression.

Anybody who cites the so-called massive debt of the Liberals in 1984 ought to in fairness cite the circumstances which brought it about.

"Who is the more guilty?" he asks. The people who took over in 1984, the Conservatives, did so first with their eyes open and second with the undertaking that it was going to be different with them. They knew what they were getting themselves into. He knew because he was part of the team at the time. They knew they were getting into a situation that included a massive debt.

They keep telling us since that the interest on the accumulated debt is what the real problem is. I have a question for him who was part of that team: "Did they not realize in 1984 that there was going to be such a thing as interest? Did they not know when they made their commitments to wipe out the debt? Did they not know that maybe interest would be applied to the unpaid debt from year to year?"

In direct answer to his question I say to him that the Conservatives, including himself who was there until a year or so ago, are far more guilty because they did some massive misleading at a time when they knew the difference. They knew they could not deliver on wiping out the debt in the short time frame they had undertaken.

I say to my good friend from Calgary Southwest that I am looking forward to hearing her speech. I know she and I differ on some matters. That is why she sits there. We agree on skiing, she says. This is true but here I say to her we are going downhill on another matter altogether and on this one we disagree.

I will say to the member in direct answer to his question that I think a fair amount of the guilt has to lie with the Conservatives who have misled the people on the debt. Having said that, pointing the finger does not help. The important thing is for us to indicate how we would do it differently and I think we have been doing that.

The Acting Speaker (Mr. DeBlois): Resuming debate. One moment. I want to be sure because the Liberals suggested to me that they split their time. The hon. member for Burin—St. George's spoke for 10 minutes and there are still 10 minutes left for the Liberals.

The hon. member for Calgary Southwest.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, thank you for the opportunity to speak today on a subject of primary concern for all Canadians, which is poverty. I would like to remind members that regardless of their political affiliations, really we cannot rest comfortably while we have people living in poverty in this country.

We do share the concerns. It is the policies and directions that tend to be a bit different.

• (1610)

Canadians generally really do enjoy one of the highest standards of living in the world. It is second only to the United States. One of this government's priorities is to maintain and improve the standard of living for Canadians and especially for the children in the future. Assuring a better future for Canadians and protecting our social safety net is a sound basis for a healthy and prosperous economy. For Canada to be truly a caring society, our wealth and our prosperity must be shared with those who are less fortunate and those who are in greatest need.

Let us first address the issue of growth and prosperity. There is no question that the policies of this government have contributed to economic growth in Canada since 1984. In 1984 the government embarked on a program of revitalizing the economy. As a result of our economic new policies, there have been new jobs created.

Canadians in need have been able to benefit from this growth. Since 1984 close to one million persons have escaped low income circumstances. This government has taken necessary steps to help those people most in need and to ensure that economic growth can continue.

Despite these important achievements, most Canadians are aware that we are facing a very serious large debt problem. We have been debating this today in the House. Last year more money was spent on interest payments to service our national debt than on all programs administered by the Department of National Health and Welfare. Considering all the programs in health and welfare put together, our national debt was a greater expense to Canadians.

That means that if you look through the department, we spend more than the cost of national programs servicing the debt. I know many people here in the Chamber have realized the amount of money which goes to health and welfare and assistance to Canadians. It is almost 60 per cent of our budget.

There are national health care programs, welfare programs, Old Age Security, family allowance and assistance through the transfers to the provinces and through to individuals. We can see that if servicing our debt has cost us more than assisting Canadian through health and welfare, we have a lot of pressure on the revenues that we collect.

The survival of the programs that we have in place really depends upon the prosperity of this country. We have to take measures today to ensure for the next generation, which is our children. We must take these drastic steps, absolutely mandatory steps today to maintain a standard of living that Canadians expect tomorrow.

That has not prevented us from putting into place forward looking programs to ensure the future prosperity of all Canadians. Through tax reform we improved the simplicity, the fairness and equity of the income tax system by converting exemptions to credits and by lowering and reducing the number of income tax rates. Eight hundred and fifty thousand low income Canadians were taken off the tax rolls as a result of this policy change.

The government also remains firmly committed to maintaining social programs while recognizing the need to direct benefits to those most in need. One only has to look at the important improvements made in the recent years in respect of benefits available to families to see that the government is strongly in favour and believes in assisting the disadvantaged people and the disadvantaged families.

From the federal government's perspective, the concept of a family benefit related to the child goes back to 1918 when an amendment to the Income Tax War Act was first introduced. It was called the child tax exemption.

The family allowance program then came into effect in 1945, demonstrating that Canada accepted its obligation to assist in the upbringing of children. It was established as a vehicle whereby the federal government could supplement family income in order to alleviate some of the costs of caring for and raising children.

Several changes have been made to the family allowance since its inception to make the system of family benefits better targeted to families who are most in need. Currently the federal government delivers almost $2.7 billion in family allowance benefits to over 3.5 million families on behalf of 6.5 million children.

Benefits are usually paid to the mother on a monthly basis. In 1991 the monthly benefit was set at an average of $34 per child. The total amount does not differ, but the age group differs from province to province.

Current federal income support for families does not stop with the family allowances. In this regard family allowances are complemented by a system of child related benefits, mainly delivered through the personal income tax system.

The child tax credit program which provides benefits to lower income families is another key source of income support for families. Since taking office in 1984, this government has significantly enhanced the maximum value of the credit by over 50 per cent. The benefit has increased from $367 per child in 1984 to $585 per child in 1991.

As part of the national child care strategy, the federal government also introduced in 1988 a supplement to the child tax credit with respect to children six years of age and under. The supplement is valued at $207 per child in the year 1991.

The federal government has undertaken other income support measures to assist families with children. For example, we have implemented a goods and service tax credit package which, when all elements are taken together, means that families with incomes of less than $30,000 per year are better off than before the GST was implemented. Families benefit from an enhanced tax credit which is paid quarterly. In 1991 the maximum value of this credit is $190 per adult and $100 per child.

The issue of family violence is also a concern for this government for many reasons. It has a long lasting effect on individuals and on families as well as on our society as a whole.

We all have a role to play. The federal government announced in February 1991 a four-year, $136 million program to continue the effort of reducing the level of family violence in Canada. The new initiative addresses violence against women, children, seniors and the disabled and also within the Indian and Inuit communities.

The federal government has also eased the problem of marriage breakdown and divorce by introducing new divorce legislation which amended the grounds for divorce and humanized its consequences. To assist with the enforcement of support orders the federal government also introduced services which provide for the release of information from designated federal banks to help locate persons who do not meet their support order obligations and provide for the garnishment of designated federal moneys from defaulting spouses.

• (1620)

Given the increasing labour force participation rates of women and the changing structure of our family unit, there is no doubt that child care is an important matter. We the federal government do provide substantial support and it runs in the order of $1 billion per year. Included in this, of course, is more than $250 million in federal contribution to provincial and territorial governments in respect of their expenditures for day care services. Also included are the tax revenues forgone in respect of the child care expense deduction. Effective for the 1988 tax year this deduction was increased in order to better reflect the actual cost of care faced by parents using receipted child care.

For parents with pre-school aged children, the maximum deduction now is $4,000 per child, up from $2,000 per child per year.

There is also the child care initiatives fund which supports innovative approaches to child care. To date, for example, the fund has supported a wide range of projects including a national child care survey by the National Day Care Research Network, national conferences that have been sponsored by the Canadian Child Care Federation and a national survey of wages and working conditions for child care workers.

Families with newborn babies receive additional support as a result of the amendments to the Unemployment Insurance Act. The amendments introduced a multi-tiered system of maternity, parental and sickness benefits, including 15 weeks of maternity benefits available during the period surrounding the birth of the child; 10 weeks of parental benefits available to natural or adoptive parents, either the mother or the father; and 15 weeks of sickness benefits.

This year parents will receive over $1 billion in benefits in order to look after their newborn or indeed their adoptive children.

The federal government also has a role in social services. While social assistance and social services are matters of provincial jurisdiction, and provinces determine policies with respect to the services, the federal government cost shares eligible provincial expenditures under the Canada Assistance Plan.

Current federal expenditures under this plan, called CAP, are about $6.3 billion in the fiscal year 1991-92. Moreover the federal government in co-operation with provincial governments is working to address housing needs of disadvantaged Canadians.

In 1990, the construction or renovation of over 42,000 new households was funded through federal social housing programs. Most of these programs were cost shared with the provinces and/or the territories. We have to address their sheltered needs. Besides that, over 640,000 households are now being assisted on an annual basis. There is a lot more that can be done and there is probably a lot more that should be done, but we are addressing the needs with the funds that are available.

The government is also committed to improving Canada's health care system to make one of the world's finest and best even better.

As the delivery of health services is a constitutional responsibility of the provinces, it is their responsibility to determine the needs, make the services available, and manage health costs.

The primary role of the Government of Canada is to make a financial contribution in support of provincial health programs. Under Established Programs Financing, transfers to provinces for hospital and medical services and extended health care came to an estimated $14.3 billion in the fiscal year which just ended.

That amount represented a significant increase over the value of health transfers during the previous year. EPF transfers will continue to grow. The federal government is committed to enhancing the health of Canadians through medical and health services research.

The Medical Research Council supports more than $200 million worth of grants and scholarships in aid of research every year. The National Health, Research and Development Program also supports research in the operation of health care delivery, the system of health care delivery in Canada as well as the causes and treatment of AIDS and Alzheimer's.

The government's commitment to addressing major threats to the health and well-being of Canadians is reflected in our funding of special programs to reduce substance and drug abuse such as the national drug strategy.

The Minister of National Health and Welfare has signed several federal-provincial agreements which will provide funding for alcohol and drug abuse programs throughout Canada.

These agreements which will provide $20 million this year and each subsequent year will help those caught up in a vicious circle of drug and chemical abuse. Of course, we cannot forget the system of benefits for our elderly, central in its Old Age Security Program, which provides a basic floor for elderly Canadians that meet minimum residence requirements.

This basic benefit valued at more than $4,400 per pensioner is received by over three million citizens. In addition, the Guaranteed Income Supplement assists low income senior citizens by providing non-taxable benefits to those Old Age Security benefit recipients with little or no other income.

The Guaranteed Income Supplement recognizes the reality faced by many of today's senior citizens and targets benefits accordingly by providing an income tested benefit which directs most of the help to most of those in need.

I cannot overstate this government's concerns about poverty and its effect on children and families. For me, there is no other single issue which stands out that needs more time, more effort and more attention from all Canadians.

In fact, one of the major objectives of this government is to invest in our children and see them better educated, better protected and better nurtured so they can make their own contributions to our future.

In 1990 we watched children take on a new importance in world politics. At the World Summit for Children which was co-chaired by our Prime Minister, leaders of 70 nations adopted the world's declaration on the survival, protection and development of children and the action plan.

By signing this declaration Canada was urged to develop a plan of action of its own. We are doing this and I believe it will be early in the new year that the Minister of National Health and Welfare will be able to come forth with recommendations and with a policy.

On behalf of the government I have outlined certain areas we have addressed. We also realize the deficit and debt must be addressed.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I would like to congratulate the member on the government side for what I felt was a sincere speech.

It was one that expressed deep concerns, particularly to the whole issue as it relates to the institution of the family and children. However, there is a reality that we are facing here in Canada today and part and parcel of this reality is the 1.5 million Canadians who are unemployed. Among them are 400,000 young people. We have lost approximately 250,000 manufacturing jobs. We have seen a middle class that, since this government took office, is now paying $1,500 more in taxes. There has been a widening of the gap between the rich and the poor in this country.

• (1630)

The government must somewhere have a master plan to deal with this issue and this reality that I am presently addressing. I am sure that the Conservative government does not want to have 1.5 million Canadians unemployed. I am sure they take no pride in having 400,000 young people unemployed. However at times I question my own statements. Why have we seen in this country cuts in areas like post-secondary education? Yesterday we debated a cap on CAP and the detrimental impact it has on many communities and people throughout Canada. I am just wondering, if indeed there is a master plan, what went wrong, because obviously something must have gone wrong. I do not think a country like Canada can afford nor should it have 1.5 million people unemployed. We should not have to be concerned that throughout Canada from coast to coast we have young children who cannot learn properly because they go to bed hungry. They get up in the morning and do not have breakfast. In a country as industrialized as we are, it is a national disgrace that we have these problems.

I want an answer in practical terms, in very specific terms. What are we going to do to address the issue of poverty in practical terms? I do not want to hear numbers. I want to hear actual facts and figures. I want to hear what we are actually going to do about these kids going to school with an empty stomach.

We must realize in this House that children and young people are going to be the future of this country. The government should realize that very quickly before we have yet another burnt-out generation.

Mrs. Sparrow: Mr. Speaker, I thank my colleague for the questions.

With regard to the 1.5 million unemployed and the 400,000 young people, it is very difficult and I certainly did try to speak from the heart. I feel very strongly that the situation of poverty and unemployment is one for all of us to be concerned about.

I would like to speak briefly first of all about the number of drop-outs in the education process. We certainly have seen the statistics that 30 per cent of youngsters drop out of high school. One in four people in the labour force are illiterate. By that I mean they cannot read or understand the manuals or the programs to run machinery or indeed carry on with their business. This is unacceptable.

We are addressing some of the issues with regard to forming partnerships with the labour union, academia, the educational institutions and private sector and discussing how we can better train people and increase literacy.

I can also say that through science and technology and globalization, the world is changing extremely quickly.

I think we all realize now that we have to change our attitudes.

We do have a problem. We are hopefully coming out of this recession which has hurt a lot of Canadians in all provinces. I just reflected back to the early eighties and what his party chose on how to attack the problem of that particular recession. It was by printing money. It was printing money and pouring money into the system which increased inflation and which increased the interest rates.

Some hon. members: What about inflation?

Mrs. Sparrow: Inflation was 13.5 per cent and interest rates were 22 to 23 per cent, which is totally unacceptable.

An hon. member: You forget the famous six and five program.

Mrs. Sparrow: Wonderful, wonderful.

The Acting Speaker (Mr. DeBlois): Other members may want to make comments or raise questions.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I listened carefully to the hon. member for Calgary Southwest. In fact I had the pleasure of working with her on the industry, science and technology committee for a number of years. However, I wondered why she did not address the subject before the House. She talked about what she was doing for the poor. I agree that is important, especially in a recession. At the time we prepared a study on sustainable development and listened to the greatest experts in this country tell us what should be done to boost the Canadian economy. These people said there should be more co-operation between universities, research centres, governments, employers and unions. I would have liked to hear the hon. member talk about how we can improve our business.

We can say that since that time more Canadian businesses, especially in Quebec, have had a tendency to go bankrupt instead of being successful. There have been few successes and few solutions. I would now like to hear the hon. member's suggestions on how to improve the economy so that we can have successful businesses, create jobs, reduce unemployment and reduce welfare. I would appreciate an answer in this respect.

Mrs. Sparrow: Mr. Speaker, I want to thank the hon. member for his question. I will go on in English, for which I apologize.

[*English*]

I want to thank my colleague. We did share an experience sitting on the Standing Committee of Industry, Science and Technology, Regional and Northern Development, Tourism and Small Business. There were many things that we learned from the witnesses. In areas where this government has acted, the centres of excellence, I believe there were either 14 or 15 centres that were announced a year and a half or two years ago and some $240 million was put into them.

It was interesting because through the Minister of Science we joined partners with the academic institutions, the post-secondary institutions and private enterprise, as well as through some of our provincial counterparts. It started bringing partners together.

The other area was with regard to Canadian scholarships for students in the science area. This started three years ago. Some 2,500 scholarships are announced every year. Half of these scholarships go to women. We are trying to encourage more women to go into the science and engineering areas.

Obviously there is no quick fix, but we certainly feel that by encouraging youngsters at school and through engineering and sciences we will be able to tackle these problems more beneficially.

My colleague was remarking some time ago with regard to decentralization. It was interesting in a poll I did in the province of Alberta that 90 per cent of the returns were in favour of a strong, unified Canada with a strong federal government.

• (1640)

I think what was interesting was that a lot of the people did not want to see 10 separate governments. I have to say that we need a strong united Canada with a strong federal government.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I would like to pick up where the member for Calgary Southwest left off in answering the member for Longueuil who asked about what we could do to promote a more healthy business climate in the province of Quebec. Was that part of the question? Did I understand him correctly?

I would like to suggest a couple of ideas to the member before I get into my basic remarks. For starters, as a member of Parliament in this nation's board room, they should start by getting behind the minister responsible for national unity. I believe one of the problems we have in this country is the fact that there is fear among foreign and local investors because of all this talk about separation.

If the member would spend a little less time on separation issues and spend more time on galvanizing the will of the nation, I say with respect, that would go a long way to help the business climate in Quebec. Further

than Quebec, I think it would go a long way toward helping the economy of this entire country.

I support the remarks of the member for Calgary Southwest who, unlike her Reform Party opponent who always deals in vague generalities, always speaks in specific terms about the issues she addresses. I do not always agree but that is fair. I do respect the member for Calgary Southwest for always dealing with issues in specific terms.

I want to start by saying that I felt good about my leader's motion today on the economy. Many people in this country have been waiting for our leader to be more specific about some of his thoughts on the economy. Today I felt he provided a lot of specifics.

He started off by referring to a value system that the Liberal Party would have as its cornerstone, as we are working a developing policy, hopefully in preparation for the opportunity to govern this country. He talked about a value system that talked about caring and approachability and a lot of compassion. He talked about a government that must really deal in terms of integrity.

I know that people from coast to coast are pleading for a value system like that to become a focal point again in terms of the policy we develop in this country.

Getting off the value system and on to a more specific area, I want to talk about the national debt of this country. There is one thing I hear over and over again from the government members that is almost like a part of a strategy, and that is that they cannot give a speech without referring to the national debt, the deficit and the debt. It is almost like a brainwash experience that they are putting the people of Canada through. I have noticed this as I have sat in the far corner of this House and listened to people over the last few months.

First of all, this government has exaggerated the debt of this country. It is terribly exaggerated. The exaggeration is close to $40 billion. It does not count the reserve of the Bank of Canada which is close to $23 billion.

Who controls the Governor of the Bank of Canada? The Government of Canada. That is a fact that it does not recognize in its calculations. There are also other reserves that it has which is another $23 billion that it has not calculated. I am not saying the debt is unimportant but I do not like this government's approach of trying to sort of scare the Canadian people into a state where nothing else matters but the national debt of this country.

We must address the problem. I am not saying that we should ignore it, but I think that one of the best ways to handle the debt of this nation is to make sure that we have a productive labour force.

The Gross National Product of this country is approximately $625 billion to some $630 billion. Can we imagine if the productivity of this country went up by some 10 per cent? We are talking about an intake of gross revenues into the system, if we kept expenses and inflation in line, of close to $60 billion.

I grant that all of that does not come back into the national Treasury. But my point is that the best way to handle the debt of this nation is with a galvanized work force where we have a galvanized will, a will that wants to succeed.

What instruments does the Government of Canada have at its disposal to work at galvanizing the will of this nation? It is from a galvanized will that productivity will increase. It may be low at 10 per cent. We should not just be thinking in terms of productivity being the number of widgets we make in an hour, because someone will be more productive.

We should also think of the creative juices that come from a work force that is galvanized and motivated. As I was about to say earlier, what instruments does the Government of Canada have? The one instrument that this government has that can touch everyone in this country is the tax designs.

This government has failed miserably in its tax designs. When it came to power in 1984 it promised comprehensive tax reform. I rest my case to the people of Canada. I think that the corporate income tax and the personal income tax reforms of this country have failed. The government should not look to the opposition to hear criticism. It should just listen to its own constituents. It could see the attitude reflected in their work habits. The tax designs of this country right now are a disincentive to productivity. The very thing that we need in order to address the problem which the member for Calgary Southwest mentioned earlier is the national debt.

It has exacerbated the problem, of course, with the goods and services tax. Now we are heading into a new season, a new budget is out there around the corner and

there is still time for this. Mr. Speaker, I recognize that you have given me one minute. I plead with this government to use that one instrument that it has at its disposal to galvanize the will of this nation to make sure that the productivity levels are there to create additional employment. It will also attack the debt which can be handled easily once the will of this country is working together and everyone wants to succeed.

* * *

BUSINESS OF THE HOUSE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Point of order, Mr. Speaker. I believe you will find consent for the following motions:

That, notwithstanding the order made on November 22, 1991, the membership of the Senate on the special joint committee to review the subject matter of Bill C-43, an act to provide for greater certainty in the reconciliation of the personal interests and duties of office of members of the Senate and of the House of Commons, to establish a conflict of interest commission and to make consequential amendments to other acts, be changed from 5 to 7 members; and

That a message be sent to the Senate to acquaint their honours thereof.

• (1650)

Mr. Speaker, the next motion is:

That, notwithstanding any Standing Orders and usual practices of the House:

That Private Members' Business hour for Wednesday, December 11, Thursday, December 12 be cancelled and the items retain their place in the order of precedence;

That Government Order No. 38, an act to provide for the continuance of Telesat Canada under the Canada Business Corporations Act and for the disposal of the shares therein of Her Majesty in right of Canada, be called for debate on Wednesday, December 11, 1991 after Routine Proceedings at report stage, and that all questions to dispose of the said bill at all remaining stages be put forthwith and successively by the Speaker no later than at 5 p.m. on that day; and

That if a registered vote is requested it shall not be deferred and the bells shall not ring longer than 15 minutes.

That the House adjourn after completion at report stage of Bill C-32, an act to amend the Canada Assistance Plan, on Thursday, December 12 until 11 a.m. Monday, February 3, 1992;

That at any time during the adjournment, the Speaker may, after consultation with the government, fix a time at which the House shall meet for the sole purpose of receiving Royal Assent to a bill or bills;

That following such Royal Assent the House shall stand further adjourned as per Standing Order 28; and

That this order do not supersede the provisions of Standing Order 28(3).

Mr. Rod Murphy (Churchill): Mr. Speaker, on the clause that refers to the House adjourning after completion of report stage of Bill C-32, an act to amend the Canada Assistance Plan, is that the only piece of legislation the government is calling on that day?

Mr. Cooper: Mr. Speaker, I want to indicate to the House that yes, that is the intention of the government. There was one caveat discussed at the House leaders' meeting. It was that if there was an agreement on another bill—and I say "agreement" meaning all three parties—we would then perhaps proceed with it but it would have to be by agreement. Otherwise it will only be Bill C-32 that we will be calling.

Mr. Murphy: Mr. Speaker, I have a question for the parliamentary secretary to the government House leader. It does not directly relate to our permission to allow this motion to go through, but it does affect an item that will be happening when the House is not sitting. As he knows, I wrote to the government House leader earlier today reminding him that the royal commission on the Election Act will be reporting in mid-January and that in that commission's report there will be draft legislation.

I would ask that the government make a response to my request that a committee be set up to do pre-study of that draft legislation. It is important that the government respond. I would recommend that it would be in the best interests of all members of Parliament and all parties that we be in a position to act on that legislation. I would certainly be supportive of pre-study of the legislation.

Mr. Cooper: Mr. Speaker, I am sorry, I was not aware of the hon. member's letter. The issue was raised at House leaders' meeting earlier this afternoon. I can indicate to the member that the House leaders agreed that they would look at that and come to a decision hopefully prior to us rising. But I do not want to commit anything on behalf of my House leader or any of the other House leaders that were at the meeting.

The Acting Speaker (Mr. DeBlois): Members have heard the terms of the motion. Is there unanimous consent to present the motions?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to adopt the motions?

Some hon. members: Agreed.

Motions (Mr. Cooper) agreed to.

* * *

SUPPLY

ALLOTTED DAY, S. O. 81—CANADIAN ECONOMIC SITUATION

The House resumed consideration of the motion of Mr. Chrétien (p. 6042), and the amendment thereto of Ms. McLaughlin (p. 6057).

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I just want to make a few comments and then maybe ask the hon. member for Broadview—Greenwood to answer a question that I have and give some of his comments.

I listened to the Leader of the Official Opposition this morning speak about his motion and the economy. I must say I agree whole-heartedly with what he had to say.

I want to come back though to what the member for Broadview—Greenwood asked the Leader of the Official Opposition this morning. He noted there was a problem out there in the country that our Canadian citizens do not have any trust or confidence in the system any more. I am going to reiterate that question to the hon. member because I feel that it is a very important one. I know in my travels throughout my riding that my constituents are telling me the same thing. They have lost trust and they have lost confidence in the system itself, not necessarily in individual politicians but in the system which does not seem to want to work any more. They are very frustrated.

One of the questions I have is: Will the member explain to me and to the Chamber how he expects to build trust and confidence back into the system?

The other point I want to ask him and make note of is the idea of income tax reform. The government quite often throws out the point that we do not have any ideas. I know the hon. member is noted for his ideas. I know he has a very good one with regard to the single tax. I have talked somewhat about that single tax in my riding. I was wondering if the hon. member could explain to those members who are here today a possible solution for getting rid of the GST and replacing it with a simpler type of tax. At the same time it could probably lower the income tax and put more money in Canadian pockets.

Mr. Mills: Mr. Speaker, I thank my colleague from Restigouche—Chaleur for his two questions.

The first question is the issue of trust. I believe, and I know most of us believe, that the central issue in the next election campaign is going to be trust. The days of blind faith in politicians are over. I believe that people are going to say to us when we are campaigning in the next election: "Don't tell me what you are against. Tell me what you have as an alternative equal or better to what is in existence".

One of the things that I am so pleased about is the fact that we in the Liberal Party, as we are developing policy and as we are preparing for the next election, are not just listening to people from our own party. We are going to people who are from all parties and from all parts of the world, as we did in Aylmer two weeks ago. That is the kind of thinking that the people of Canada, I believe, want to see in the political process.

My last point is on the single tax. We got a major breakthrough today from the Minister of Finance because he said to me in this House today: "If you can prove to me that under your system 50 per cent of this population will not not pay more than they are paying under the current system I am willing to listen". I am in the process of presenting him that documentation.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question to the hon. member is simply this. The hon. member is an individual who has some experience with entrepreneurs and is somewhat of an entrepreneur himself. Since the government has been an unmitigated disaster in terms of facilitating the private sector to create the necessary jobs, I am wondering if the hon. member could comment on the appropriateness of the monetary policy which is being pursued by the Government of Canada as it relates to entrepreneurs in

this country and in their desire to facilitate increasing employment opportunities.

I would like to hear the hon. member's views.

• (1700)

Mr. Mills: Mr. Speaker, I thank my colleague from Cape Breton. As he knows and as he has articulated so often in this House, the 900,000 entrepreneurs across this country are the best hope for putting people back to work. For some unknown reason, this government does not want to address that fact head on. I believe instead of ratcheting inflation to a point where we now have deflation, the government should let up a little bit on the inflation. That would ultimately cause a little bit of a drop in the dollar and would put out the kind of confidence that would generate a lot more jobs in this country which we so badly need at this time.

The Acting Speaker (Mr. DeBlois): Resuming debate. To avoid any misunderstanding, I gave the floor to the hon. member for Broadview—Greenwood to implement the Liberal round with the hon. member for Burin—St. George's. I now recognize, because there are no speakers on the other side, another two Liberals for 10 minutes each. The hon. member for Willowdale.

Mr. Dingwall: On a point of order, if the hon. member has joined our party and wants to be known as a Liberal member of Parliament, we would be prepared to give him the floor if he is going to support the policies we have just enunciated.

Mr. Barrett: Mr. Speaker, on the same point of order, I would not join a group that would have me.

The Acting Speaker (Mr. DeBlois): The Christmas spirit is here.

The hon. member for Willowdale for 10 minutes.

Mr. Jim Peterson (Willowdale): Mr. Speaker, in confronting the tremendously serious economic challenges we face in Canada today, I believe we need a double-barrelled approach. For the past three years we have been talking to the government about one barrel of that approach and that is the long-term type of industrial policy that we as Canadians need and deserve.

This is a policy which is necessary, not only to allow us to compete, but more importantly to make us competitive. We have talked at length about monetary policies, fiscal policies, training, development, science, research technology, innovation, development, all of those things which are the hallmarks of an internationally competitive society and areas in which we are in decline.

The other barrel of our approach must be aimed squarely today at what has been a very disappointing economic performance in Canada, disappointing to members on this side of the House and to the other side as well.

We are not out of this recession. We are on the brink perhaps of a double dip. We are seeing unemployment figures stalled. Last month unemployment did not go down and 45,000 more Canadians dropped out of the work force. This requires immediate redress.

I want to put before you today some ideas where we can act immediately in Canada to deal with this depressing problem.

Let me start with a bit of background. Today we are spending in Canada on direct unemployment insurance payments, combined with welfare payments, the grand total of $31 billion. If we could wipe out all welfare and unemployment insurance payments for a year, we would wipe out our entire federal deficit.

When you look at how this affects individuals, it means that we are paying regular unemployment insurance of $13,000 per year for every unemployed person. In addition to that, we are spending $12,800 per year for every case of welfare.

We have money available, if we could get them off the UI cycle and off the welfare cycle, to invest in more productive aspects of our economy including job creation, a full $31 billion. Let us look briefly at some of the ways that we might constructively do this.

Number one, upgrading our municipal infrastructure. In 1988, the Liberals introduced a plan whereby the federal, provincial and municipal governments would share equally the cost over five years of a total of $15 billion expenditure to upgrade necessary municipal infrastructure such as roads, sewers, bridges and everything else.

That would have meant that the federal cost of the program was $1 billion a year for five years. We must look at the real cost, what we would have paid out of pocket. Informetrica did a study for the Canadian Feder-

ation of Municipalities which showed that the cost would not have been $1 billion but only $80 million.

What would we have received for that sum of $80 million a year for five years? We would have created 62,800 jobs a year. That would have been a net cost per job created of $1,274. That cost of $1,274 per year per job did not take into consideration the $13,000 a year that we pay for unemployment insurance.

If we had a municipal infrastructure program in place, we would be saving federal expenditures of close to $11,700 a year. That makes economic sense. We are investing a little and getting a lot through savings, stimulus and everything else.

Another area where we could be very creative is home building. Home building starts are down dramatically and this year we will be lucky if they are up over the depressing level of last year.

The industry is working at only 50 per cent capacity and there are 180,000 unemployed construction workers across Canada. Let us look at some constructive ways we could get this industry going with savings to the taxpayers of Canada. Reduce the down payment on new homes to 5 per cent.

This government is telling us it is out of the recession and things are rosy. Then there should be no problem in this government guaranteeing the remainder of that 95 per cent financing for a house.

We talked about another possibility that would cost the taxpayers nothing. We could allow potential home owners to invest their down payment from their RRSP savings. That would free up funds and savings that are already there at no cost to the taxpayer.

Another area where this government has been penny wise and pound foolish is in skills training and illiteracy. The Southam survey showed there are 5 million Canadians that are functionally illiterate.

The cost to business of this illiteracy alone is $4 billion a year. The annual social cost is some $10 billion. When you have costs like this to Canadians, does it not make sense to invest a little bit of money to correct it?

What has this government done? It announced a program in 1988. It said it would spend a total of $22 million over five years to deal with the problem of Canadian illiteracy. Do you know what this amounts to? It amounts to $4.40 per year for every functionally illiterate Canadian. It amounts to 1.21 cents per day for literacy training for illiterate Canadians. It is peanuts when you think we could save the social cost of $10 billion and the cost to the private sector of $4 billion.

• (1710)

Last, we should be looking at the optional right of every unemployed Canadian to have skills assessment and get immediately into a program of remedial and skills training.

I would suggest that when we have such payments as $31 billion of public money directly for unemployment insurance and welfare, $13,000 per year for every unemployed Canadian, $12,800 for every person on welfare, we have a tremendous fund available to create jobs through the private sector.

If we could create jobs by investing all or a portion of those funds in job creation, we would have the dignity of work. We would have taxpayers rather than welfare and insurance recipients.

There are a lot of programs where small businesses in particular could benefit but not by giving the full amount of that money. For example, we could take $5,000 to pay for the cost of a new full-time job for one year created by business in Canada. Financially and economically we would be far ahead in terms of what it would do to our deficit. Even more important, we would be restoring dignity to those people who want jobs but cannot find them.

There is so much we have to do in terms of our long term ability to compete. In the short term this government has neglected the most fundamental aspects of sound fiscal management. In economic management, in not investing in these programs which could help us immediately to get out of this unemployment and welfare cycle, this government has demonstrated once again its incompetence by being pound wise and penny foolish.

It is absolutely necessary that the government act immediately.

The Acting Speaker (Mr. DeBlois): I would appreciate if in the beginning of his speech the hon. member could say if there is an agreement with the Liberal opposition.

Mr. Barrett: Mr. Speaker, I thought I got an agreement from Dingwall.

The Acting Speaker (Mr. DeBlois): I would appreciate some explanation from the hon. member.

Mr. Clark (Yellowhead): The details of this new organic union should be spelled out to the House so that the rest of us will understand precisely what is happening.

Mr. Dingwall: Mr. Speaker, we are going to have a royal commission and we are going to study it very thoroughly. I want to tell the Chair that the hon. member is a senior member of this Chamber and we thought out of the generosity of Christmas time, since he did not wish to join our party nevertheless we would give him an opportunity to take the floor and speak for 10 to 12 minutes or thereabouts. Then we would continue on with the debate.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I want to reconsider. Generally I am not in receipt of such generosity from the two governing parties which have been tandem in creating the mess that we are talking about in this country for the last 50 years. I welcome their understanding of my role in this debate.

I particularly appreciate the amendment to this debate that says since 1982, because they are wrapped up in it too. I am not here to blame the Liberals. I am not here to blame the Tories because they have been faithful to their political supporters. This is a direct result of their faith in their political supporters because both parties are the representatives of the corporate agenda in Canada.

As a consequence of being true to their corporate supporters, they have brought this country to its knees except for one major distinction. No previous Liberal or Conservative government ever gave up on Canada until this government was elected. This government, unlike previous Liberal governments and Conservative governments, gave up on Canada the day it started to negotiate the free trade agreement.

Who was it who made the strongest speech and the most clear position prior to the election of 1984 against the free trade agreement? It was none other than the Leader of the Conservative Party, the present Prime Minister, who said: "Do not talk to me about free trade. I will never lead Canada down this road". Do you remember that my friends?

Some hon. members: Yes, yes.

Mr. Barrett: Yes, they all remember that. Do you remember that over there on that side, my friends? They do not remember that, Mr. Speaker. I am shocked. They do not remember the wise words of their own leader that had misled some of them to think that when they supported the present Prime Minister he would keep his word and never get involved in free trade. How shocked they were.

They were so shocked they lost their ability to think and they have blindly followed him ever since he changed his mind. It was the now Prime Minister of this country who said he would never allow free trade to take place. He said not to talk to him about free trade.

An hon. member: Unfair.

Mr. Barrett: Ah, my dear friend. Mr. Speaker, I am under attack. Why am I under attack? They are attacking me for repeating the words of the Prime Minister. I want to tell you I am shocked. I know that all Canadians attack me for repeating the words of the Prime Minister. I know the Liberals attack me for repeating the words of the Prime Minister. But when the government criticizes the words of the Prime Minister, I am shocked.

He said "Don't talk to me about free trade". Now it wants to amend it and add words to it. Don't give me that stuff. The reality was that was its agenda and that is what caused the problem.

Now the consequence of that is anger, frustration, and general disappointment in this country. It has even spawned a new party called the Reform Party. The Reform Party is a right wing reaction to what it feels is a betrayal by the Conservative Party. The right wing has left the Conservative Party and threatens to throw into the ashcan those moderate Tories who have more sense and more reason from a tradition known as the red Tories.

One of them is the minister in charge of the Constitution. Here he is spending his time trying to put this country back together when he may not even win his own seat again.

Why is that happening in this country? I will tell you why it is happening. Canadians from coast to coast have lost faith in this government because it cannot solve the problems it created by its policies.

This motion deals with the fact that the economy of this country is in a shambles. There are 1.5 million people unemployed and the same excuses are being given after seven and a half years in office. It still stands up and blames the Liberals. After seven and a half years there are only 33 more years for it to go in the wilderness like Moses before it comes to its senses, but at least it is a beginning to separate its record from this record. To stand up in the face of this debate from the Official Opposition and blame the Liberals is even too much for me to stomach, and I am prepared to take any kind of criticism given to the Liberals.

This is too much. Seven and a half years and the Reform Party is spawned. The BQ is spawned and it has this country on its knees economically. All it can do is stand up in the House and attack the Liberals for the mess that they left it. That is what it got elected for. It claimed it was going to be different. It claimed it was going to create a new economy. The Prime Minister said he would not talk about free trade and he is the one who led this country into it.

Do not blame the Liberals with fictional nonsense. The truth condemns the Liberals more than fiction.

I think it is unfair of this government to blame the Liberals for the mess it created. It created its own mess and it lives with it. But has it said one thing today that offers hope, succor or comfort? Even my good friend over here, the member of the Liberal Party for Willowdale, came up with some thoughtful analyses of problems and approaches to resolve them. One of the things my friend spoke about was the simple work where we have lagged behind in this country since the last Liberal administration. I give it credit for its winter works programs. It started fumbling and bumbling in its own way toward the step of resolving the problems with municipal infrastructure. It is a serious problem in this country that my colleague talked about. There is very little political romance in talking about roads, sewers and sidewalks. Although it is alleged that the government is familiar with sewers, it is roads and sidewalks we are talking about. We are talking about the need to rebuild an infrastructure in this country. I want to tell you that the member for Willowdale is being modest when he suggests $5 billion. We should be spending $15 billion a year right now.

• (1720)

Now, of course, comes the cry: "Where will you get the money from?" There comes the cry. As a matter of fact, it was the Minister of Finance himself who said to this humble backbencher: "I liked what you said about the RRSPs. Come up to my office and we will talk about it". He did say that today. He did, today. Did he not say that? Yes, he did, thank you very much. Well, why should I go up to his office? I am right here in the House of Commons where the people of Canada should know about the alternatives. If he wants to come to an office, I have an office. If he makes an appointment I will see him. But, is it not ironic that in defence of a lack of a single action the minister gets up and says: "Well, that is a nice idea. Come up to my office and tell me about it".

What in the heck are they doing? They are the government. They have all the bureaucrats. They have all the genius experts. They have all the economists and all they could say today was to blame the Liberals and ask me to come up and give him some advice. He has to be really hard up to ask me to come up to his office and give him some advice.

Now that he has shown how hard up he is, I will give him some advice. First, if he really wants to take my advice, he should quit. That would save us all a lot of trouble. Just quit. Just get the heck out of here. You have outlived your usefulness. There, he is gone. No, no, to be fair, he does not have to quit. The Reform Party is going to take care of him.

There is $90 billion in this country in RRSPs, half of which is in undirected general deposits. The United States has a municipal bond system that pays 5 per cent of purchased municipal bonds and the interest earned from those bonds over a 10-year period is not taxable. This is not radical socialism. This is not dangerous liberalism. It is right here with Conservative fiscal management.

Now, listen quietly because I only have another minute and a half. Mr. Speaker can only hold up a finger, but I know it is a minute and a half.

These five per cent municipal bonds out of RRSPs lent to the federal government with a 10-year minimum earn $30,000 interest. At the end of that 10 years we have used their money at 5 per cent. We allow people to take out the $30,000 tax-free from their RRSP to be used any way they want. It is tax-free my friend and I will tell you why. If we tap into that half of the undirected RRSPs it makes a pool of funds of approximately $40 billion available to

us. The first year up front we make the money available to municipalities at 5.5 per cent and the local taxpayers have the right to decide democratically on how the money is to be spent.

My time is up but if someone were to dare ask me a question on the rest of this program, I will make this my commitment to you.

The Acting Speaker (Mr. DeBlois): Questions or comments. The hon. member for Haldimand—Norfolk for five minutes.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I listened quite intently to the hon. member's statements in talking about the free trade deal and how it has adversely affected Canadians. But he must have known when he was speaking that regarding supply management and regarding article XI of GATT we really lost a lot of the power we had with marketing boards because of the free trade deal.

If he takes the position that supply management then should be supported, why is it that he is quoted in the paper a few weeks ago as saying that consumers would benefit greatly if supply management was done away with? That really concerns me because there are members of the New Democratic Party who stand up in this House and say that indeed they do support supply management. When I read something like that in the newspaper, it concerns me that maybe members within the New Democratic Party do not understand the importance of supply management to all of rural Canada, not only to our dairy and poultry farmers.

Mr. Barrett: Mr. Speaker, as a matter of fact it was a Liberal researcher who pointed that article out to me. Frankly it is something that happens on occasions to politicians. It is a misquote. I have always, in all my 30 years of public life, supported marketing boards. My father was in the business. My father's dear soul would not rest at peace if he thought that I had changed my mind. That is incorrect in the newspaper. Thank you for the opportunity to correct it.

Your second question was about the RRSPs.

An hon. member: Where are you going to get the RRSP money?

Mr. Barrett: Where are we going to get the RRSP money? I already demonstrated that to you, my dear friend. As a cabinet minister half the money in the RRSP is not directed.

An hon. member: It is used somewhere.

Mr. Barrett: Oh, it is used somewhere. I am glad the bells are ringing in the Tory's head. Where is that money used now? It is used by the private banks that are making usurious profits off that money. That is where the money is being used now.

He does not understand that. I am saying give the depositor the freedom of choice to make a decision about how they can best use their money. Give them an option of a municipal bond that pays that 5 per cent and let the government in turn make it available to the municipalities. We can thereby use indigenous funds, as my friend from Willowdale clearly spelled out, because social purpose and municipal rebuilding does not cost megabucks like stupid megabuck projects. It is a social investment with indigenous funds that actually makes more in terms of tax revenue generated back to the government than any subsidy the individual lender gets at the end of 10 years.

As a matter of fact, the kind of revenue generated by having a $15 billion a year municipal works project means that we diminish unemployment significantly. We add to the local tax coffers. We add to the provincial tax coffers and we add to the federal tax coffers. There is an option. If that is not clear then you do not understand anything.

May I say in conclusion, if that minister with his question represents what this government knows about how banks use our money then God help us all.

The Acting Speaker (Mr. DeBlois): I give the floor to the hon. member for Restigouche—Chaleur for 10 minutes to implement the last opposition round.

[*Translation*]

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I welcome the opportunity today to take part in this debate on the economy.

The motion before the House asks:

> That this House condemn the government for economic mismanagement that has led to an intolerable and tragic level of unemployment, business failure and poverty in Canada.

It is clear that the Mulroney government is responsible for the first made-in-Canada recession, with its high dollar and high interest rate policies. The results of these short-sighted measures are even more disastrous for the unemployed and for all Canadians who must depend on food banks to survive.

With an unemployment rate in this country of up to 10.3 per cent, in other words 1.4 million Canadians, and with the number of bankruptcies totalling 62,969, which is 45 per cent more than last year, the government has a clear indication of the seriousness of the problem and how urgent it is to take steps to deal with it.

However, that would be too much to ask of a government that has done everything in its power to cause this disastrous situation. In fact, if we go back to September 1990, when it was becoming increasingly clear that we were in for a made-in-Canada recession, the government denied any responsibility, saying that this phenomenon was part of the usual economic cycle and that there was no cause for alarm.

• (1730)

To top it all, the government made the situation even worse in January 1991 when it introduced the infamous goods and services tax. As you know, Mr. Speaker, the GST is like an albatross around the neck of the Canadian economy. This tax has had the effect of discouraging consumer spending, the cornestone of any vigorous economic recovery.

The GST is also an incentive for Canadians to shop across the border in the United States, which has had a great impact on our tourism industry. The latest figures released by the Minister of Finance show that introducing the GST cost Canadian taxpayers $900 million.

On top of all that, the government completely ignored the major issues of the day in the budget tabled on February 26, namely national unity and the recession. Right in the middle of the recession, this budget provided for no assistance whatsoever for the 1.3 million unemployed and the half million people who have to rely on food banks.

This budget did nothing either to make Canada more competitive in the context of a global economy. No wonder that in its analysis the Toronto-Dominion Bank found that in economic terms the 1991 budget was the most absurd and destructive since the 1930s.

In their last budget the Conservatives did not pay any attention to the plight of the unemployed, acknowledging that the rate of unemployment would remain above 10 per cent for at least two more years. It contained no new job creation policy. Instead, the Minister of Finance cut the Canadian Jobs Strategy funding by $100 million while at the same time hiking employee UI contributions by 24 per cent and cutting regional development funding.

[*English*]

Today I have heard many speakers talk about the economy, which is a very important issue. I want to relate that to the local level. We have talked a lot about the national economy. I want to give you a perception of what is going on in Restigouche—Chaleur and then get away from that and give you maybe some possible solutions.

The Restigouche—Chaleur area is a natural resource based section of Canada. We have a major problem with the forestry industry, as you well know. We have a mill in Atholville, New Brunswick, that has closed its doors indefinitely. We have a committee in place now that is working furiously at trying to get it reopened. Maybe there will be a new investor or a new buyer. Maybe they can diversify the product and end up with an added value product.

The Dalhousie mill has been in operation for many years. It has gone through some renovation, but it again has had some lay-offs over the years. If we go back 10 years ago there were 1,500 employees in the woodlands and mill operations. Now it is down to less than 1,000. We see our sawmills in Kedgwick and in other parts of the riding suffering from down time and having some economic problems.

The mining industry in the riding is in a downturn position. In fact the Belledune fertilizer plant has been shut down, I am told, for a two-month period. There have been lay-offs at Brunswick mining. Over the years, if we look at the operations of the federal government through CN in the riding, at one point in time not too long ago we had well over 1,200 employees. We are down to less than 200 right there now. That all has an effect on the area.

The unemployment rate that we have heard so much about today and the figure that has been quoted has been the national figure. The figure in my riding is 18.5 per cent. That is unacceptable in this day and age. With that, I just want to mention some of the possible solutions that we could have and some of the things that are going on in the riding that are very positive. I want to mention a group of individuals who have got together and developed what they call an economic conference. The Nepisiguit economic conference was just held over a week ago after a two-year planning stage. They have developed through self-analysis a strategy to be implemented for that region to help put the region back on track.

[*Translation*]

I would like to use this opportunity to congratulate Ian Oliver and Gérald Mallais, co-chairmen of that conference on the economy in Nepisiguit. I would also like to congratulate the co-ordinator, Georges Marcoux, and his team for having organized this conference.

[*English*]

I should also say there is another group busy at work in another part of the riding with another economic conference. They also have co-presidents, Madam Luminas Senecal of Campbellton and the mayor of Dalhousie, Sandy MacLean, who are going to co-chair that economic conference. I wish them well.

There is a group of individuals that realizes there is a problem in the region and is ready to try to find a solution through self-analysis.

I want to mention specifically that I honestly believe there has to be a federal presence, not only in my riding but in every riding across Canada. I honestly believe that federal expenditure should be used as a tool for regional development. I also think we have to start developing programs and an attitude in government circles that will allow new positions to be developed in departments where there are new programs set up and where it requires new people to be hired. Those positions should be placed in areas of high unemployment, a decentralization of sort so to speak.

I would suspect that in Restigouche—Chaleur we should be looking at 200 new federal positions to help stimulate the economy and give some confidence back to the area. It would send a message to the entrepreneurs that want to invest in that area that the federal government is there and is ready to help out.

I would also like to mention in closing that we have heard a lot of solutions today. Some of them have been very good ones. I want to echo the comments of the hon. member for Willowdale who talked about municipal infrastructure. I believe quite strongly that it is a very useful and reasonable tool. The other area is new homes, reducing the down payment to 5 per cent and allowing people to use RRSP money to invest in those new homes.

In conclusion, when we look at the economy and the motion today we should just ask ourselves if we are actually better off now than we were in 1984. I guess the answer for my constituents is a plain no. I rest my case.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I will just ask a very short question of my colleague for Restigouche—Chaleur.

I remember visiting New Brunswick about a year and a half ago. One of the things that I noticed when I was there was the tremendous tourism potential in the province of New Brunswick. We all know that tourism is probably one of the largest job creators in this country. I wonder if the hon. member could maybe take a minute or two and speak to the people of Canada—this is a national forum we are debating in today—about some of the tourism ideas and the potential that I know exist in his province.

Mr. Arseneault: Mr. Speaker, I thank the member for Broadview—Greenwood for his question. I would like to say from the outset that in New Brunswick, like everywhere across Canada, Canadians are very proud people. They are not looking for handouts. There is a misconception out there that when we talk about hard times and unemployment the people just want to stick their hands out and say: "Give us some money and we will go away. We will be quiet about it".

• (1740)

What I am hearing out there and what I see with individuals coming into the office to talk to me is that they are all looking for work. They want to work. They want to be put to work.

It is the responsibility of the federal government to put people back to work, to develop programs. If they cannot develop programs, they should not be the government. It is as simple as that. It was this government that promised jobs, jobs, jobs. We do not have jobs, jobs, jobs. We have

no jobs, no jobs and no jobs. That is the problem we are having right now.

As far as tourism is concerned, I believe like the hon. member that small business is the motor of the economy. It is up to the government again to stimulate that motor and make sure that there are oil and fuel for that motor. Right now it is working in reverse.

The government is not stimulating. There is no gas in the tank. One of the small businesses that can be developed is the tourism industry. I spoke about economic conferences a while ago in the riding. Those are two priorities of the economic conference that I spoke about. They are going to continue to be priorities.

It is a priority in the province of New Brunswick but we need a partnership. There has to be a partnership of the people, the municipal governments, the provincial governments and the federal government. People cannot do it alone. We have to take a full share, a full partnership in that job.

[*Translation*]

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I am pleased to speak on the motion of the Leader of the Opposition that condemns the government for economic mismanagement that has supposedly led to an intolerable and tragic level of unemployment and bankruptcy in Canada. I must tell you that when the Leader of the Opposition was Minister of Finance in 1981 the Bank of Canada rate stood at 22 per cent, whereas it is now 7.54 per cent. In August 1981 the prime rate was 22.75 per cent under his governance, whereas it now stands at 8 per cent.

At that time the mortgage rate for five years was 21.75 per cent and it is now 9.9 per cent. The rate for one year was 21.25 per cent then compared to 8.75 per cent now. All this to tell you that in spite of unfavourable conditions, we took the necessary steps to try to alleviate the recession and revitalize the economy.

Mr. Speaker, it requires a lot of courage on the part of my leader to take measures which will bring back prosperity to Canadians. As you know, we reached rock bottom with 12 per cent in the polls, but if we stopped talking about the Constitution and solved this problem, maybe interest rates would go down even more in a next week, perhaps even by 2 per cent.

We made important achievements since we took power, but nobody talks about those today. As far as the free trade agreement with the United States is concerned, some members opposite have said a moment ago that it was not beneficial to Canadians. I understand that there can be losers in this agreement or trade, but there are winners as well. I can tell you that my community, Drummondville, was chosen industrial city of the year in Quebec in 1991, and it is precisely because industry people and firms of my community did business with the United States and increased their trade with them.

There was also, as you will recall, Mr. Speaker, the tax reform and there was the much acclaimed removal of the 13.5 per cent tax that eroded our exports. Now you will see the positive side of the implementation of the new tax. There was also the deregulation and the privatization of several Crown corporations, and you will soon realize all the changes and the well-being it implies.

You saw the critics recently, the reduction of federal government expenditures, and the freeze in the public service. We were courageous enough to introduce similar systems which also—

The Acting Speaker (Mr. DeBlois): Order, please. I am sorry to interrupt the hon. member.

[*English*]

It being 5.45 p.m. it is my duty, pursuant to Standing Order 81(15), to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

[*Translation*]

Therefore the question in on the amendment of Ms. McLaughlin.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): All those in favour will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. DeBlois): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): Call in the members.

The House divided on the amendment, which was negatived on the following division:

(*Division No. 94*)

YEAS

Members

Althouse
Barrett
Black
Blaikie
Butland
Edmonston
Fulton
Gardiner
Harvey (Edmonton East)
Hunter
Kristiansen
Laporte
McLaughlin
Nystrom
Plamondon
Robinson
Skelly (Comox—Alberni)
Taylor
Venne
Young (Beaches—Woodbine)—39

Angus
Benjamin
Blackburn (Brant)
Brewin
de Jong
Fisher
Funk
Gérin
Heap
Karpoff
Langan (Mission—Coquitlam)
Leblanc (Longueuil)
Murphy
Parker
Riis
Rodriguez
Stupich
Tremblay (Rosemont)
Whittaker

NAYS

Members

Allmand
Andre
Assad
Axworthy (Winnipeg South Centre)
Bélair
Belsher
Bertrand
Bird
Blackburn (Jonquière)
Blenkarn
Bosley
Boudria
Brightwell
Cadieux
Campbell (South West Nova)
Cardiff
Chadwick
Chrétien
Clark (Yellowhead)
Clifford
Collins
Copps
Corbett
Couture
Crosby (Halifax West)
Darling
Della Noce
Dick

Anderson
Arseneault
Atkinson
Baker
Bellemare
Bernier
Bevilacqua
Bjornson
Blais
Blondin
Bouchard (Roberval)
Boyer
Caccia
Callbeck
Campbell (Vancouver Centre)
Catterall
Chartrand
Clancy
Clark (Brandon—Souris)
Cole
Cooper
Corbeil
Côté
Crosbie (St. John's West)
Danis
DeBlois
Desjardins
Dingwall

Domm
Duhamel
Edwards
Fee
Ferguson
Flis
Fontana
Friesen
Gray (Windsor West)
Grey (Beaver River)
Gustafson
Harb
Harvey (Chicoutimi)
Hicks
Hogue
Hopkins
Horning
Hughes
Jelinek
Joncas
Jourdenais
Keyes
Kilgour (Edmonton Southeast)
Landry
Larrivée
LeBlanc (Cape Breton Highlands—Canso)
Lewis
Loiselle
MacAulay
MacDougall (Timiskaming)
MacLellan
Malone
Marchi
Marleau
Martin (Lincoln)
McCreath
McGuire
Merrithew
Milliken
Mulroney
Oberle
Pagtakhan
Peterson
Pickard
Porter
Proud
Reid
Ricard
Rideout
Rompkey
Saint-Julien
Scott (Hamilton—Wentworth)
Siddon
Sobeski
Sparrow
Stevenson
Tardif
Thacker
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van De Walle
Vézina
Vincent
Wappel
Wilbee
Winegard
Young (Acadie—Bathurst)—192

Dorin
Duplessis
Epp
Feltham
Ferland
Fontaine
Fretz
Gaffney
Greene
Guilbault
Halliday
Harvard
Hawkes
Hockin
Holtmann
Horner
Hudon
Jacques
Johnson
Jordan
Kempling
Kilger (Stormont—Dundas)
Koury
Langlois
Layton
Lee
Littlechild
Lopez
MacDonald (Dartmouth)
MacKay
Maheu
Manley
Marin
Martin (Lasalle—Émard)
Mazankowski
McDermid
McKnight
Mifflin
Mills
Nault
O'Kurley
Parent
Phinney
Plourde
Pronovost
Redway
Reimer
Richardson
Robitaille
Roy-Arcelin
Schneider
Shields
Simmons
Soetens
Speller
Stewart
Tétreault
Thompson
Tobin
Tremblay (Lotbinière)
Vanclief
Vankoughnet
Vien
Walker
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy

PAIRED—MEMBERS

nil/aucun

Mr. Speaker: I declare the motion lost.

[*English*]

Mr. Riis: Mr. Speaker, I want to suggest that although there has been absolutely no discussion among the parties, you might find a willingness to apply the vote that we are about to hear now to the main motion as well.

Mr. Speaker: The next question is on the main motion, standing in the name of Mr. Chrétien. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

The House divided on the motion, which was negatived on the following division:

(*Division No. 95*)

YEAS

Members

Allmand
Angus
Assad
Baker
Bélair
Benjamin
Black
Blaikie
Boudria
Butland
Callbeck
Catterall
Clancy
de Jong
Duhamel
Ferguson
Flis
Fulton
Gaffney
Gérin
Grey (Beaver River)
Harvard
Heap
Hunter
Karpoff
Kilger (Stormont—Dundas)
Kristiansen
Laporte
Leblanc (Longueuil)
MacAulay
MacLellan
Manley
Marleau
McGuire
Mifflin
Mills
Nault
Althouse
Arseneault
Axworthy (Winnipeg South Centre)
Barrett
Bellemare
Bevilacqua
Blackburn (Brant)
Blondin
Brewin
Caccia
Campbell (South West Nova)
Chrétien
Copps
Dingwall
Edmonston
Fisher
Fontana
Funk
Gardiner
Gray (Windsor West)
Harb
Harvey (Edmonton East)
Hopkins
Jordan
Keyes
Kilgour (Edmonton Southeast)
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
Lee
MacDonald (Dartmouth)
Maheu
Marchi
Martin (Lasalle—Émard)
McLaughlin
Milliken
Murphy
Nystrom
Pagtakhan
Parker
Phinney
Plamondon
Rideout
Robinson
Rompkey
Simmons
Speller
Stupich
Tobin
Vanclief
Walker
Whittaker
Young (Beaches—Woodbine)—103
Parent
Peterson
Pickard
Proud
Riis
Rodriguez
Samson
Skelly (Comox—Alberni)
Stewart
Taylor
Tremblay (Rosemont)
Venne
Wappel
Young (Acadie—Bathurst)

NAYS

Members

Anderson
Atkinson
Bernier
Bird
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Brightwell
Campbell (Vancouver Centre)
Chadwick
Clark (Yellowhead)
Clifford
Collins
Corbeil
Côté
Crosbie (St. John's West)
Danis
Della Noce
Dick
Dorin
Edwards
Fee
Ferland
Fretz
Greene
Gustafson
Harvey (Chicoutimi)
Hicks
Hogue
Horner
Hudon
Jacques
Johnson
Jourdenais
Koury
Langlois
Layton
Littlechild
Lopez
MacKay
Marin
Mazankowski
McDermid
Merrithew
Oberle
Plourde
Pronovost
Reid
Ricard
Robitaille
Saint-Julien
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Andre
Belsher
Bertrand
Bjornson
Blais
Bosley
Boyer
Cadieux
Cardiff
Chartrand
Clark (Brandon—Souris)
Cole
Cooper
Corbett
Couture
Crosby (Halifax West)
Darling
Desjardins
Domm
Duplessis
Epp
Feltham
Fontaine
Friesen
Guilbault
Halliday
Hawkes
Hockin
Holtmann
Horning
Hughes
Jelinek
Joncas
Kempling
Landry
Larrivée
Lewis
Loiselle
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
McCreath
McKnight
Mulroney
O'Kurley
Porter
Redway
Reimer
Richardson
Roy-Arcelin
Schneider
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Van De Walle

Vankoughnet — Vézina
Vien — Vincent
White — Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre) — Winegard
Worthy—128

PAIRED—MEMBERS

nil/aucun

Mr. Speaker: I declare the motion lost.

[*Translation*]

CONCURRENCE IN SUPPLEMENTARY ESTIMATES (B)

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved:

That Supplementary Estimates (B) for the fiscal year ending March 31, 1992, laid upon the table Friday, November 22, 1991, be concurred in.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to.

[*English*]

Mr. Loiselle moved that Bill C-47, an act for granting to Her Majesty certain sums of money for the Public Service of Canada for the financial year ending March 31, 1991, be read the first time and printed.

Mr. Speaker: Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

Mr. Loiselle moved that the bill be read the second time and deemed referred to Committee of the Whole.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

• (1830)

Mr. Hawkes: Mr. Speaker, I wonder if there would be a predisposition of the House to apply the vote on the previous motion to the vote on this without taking the time of the House to stand.

[*Translation*]

Mr. Plamondon: Mr. Speaker, there was no consultation with the Bloc Quebecois on that vote.

[*English*]

Mr. Angus: Mr. Speaker, on a point of order. I think it is clear to the House that no one was consulted. The chief government Whip got up on his own and offered the House an option to apply the votes and I think that should be considered.

Some hon. members: Agreed.

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

(*Division No. 96*)

YEAS

Members

Anderson — Andre
Atkinson — Belsher
Bernier — Bertrand
Bird — Bjornson
Blackburn (Jonquière) — Blais
Blenkarn — Bosley
Bouchard (Roberval) — Boyer
Brightwell — Cadieux
Campbell (Vancouver Centre) — Cardiff
Chadwick — Chartrand
Clark (Yellowhead) — Clark (Brandon—Souris)
Clifford — Cole
Collins — Cooper
Corbeil — Corbett
Côté — Couture
Crosbie (St. John's West) — Crosby (Halifax West)
Danis — Darling
Della Noce — Desjardins
Dick — Domm
Dorin — Duplessis
Edwards — Epp
Fee — Feltham
Ferland — Fontaine
Fretz — Friesen
Greene — Guilbault
Gustafson — Halliday
Harvey (Chicoutimi) — Hawkes
Hicks — Hockin
Hogue — Holtmann
Horner — Horning
Hudon — Hughes
Jacques — Jelinek
Johnson — Joncas
Jourdenais — Kempling
Koury — Landry
Langlois — Larrivée
Layton — Lewis
Littlechild — Loiselle
Lopez — MacDougall (Timiskaming)
MacKay — Malone
Marin — Martin (Lincoln)
Mazankowski — McCreath

McDermid
Merrithew
Oberle
Porter
Redway
Reimer
Richardson
Roy-Arcelin
Schneider
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Van De Walle
Vézina
Vincent
Wilbee
Assiniboia)
Winegard

McKnight
Mulroney
O'Kurley
Pronovost
Reid
Ricard
Robitaille
Saint-Julien
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Vankoughnet
Vien
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—127

NAYS

Members

Allmand
Angus
Assad
Baker
Bélair
Benjamin
Black
Blaikie
Boudria
Butland
Callbeck
Chrétien
Copps
Dingwall
Edmonston
Fisher
Fulton
Gaffney
Gérin
Grey (Beaver River)
Harvard
Heap
Hunter
Keyes
Kilgour (Edmonton Southeast)
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
Lee
MacDonald (Dartmouth)
Manley
Marleau
McLaughlin
Milliken
Mitchell
Nault
Pagtakhan
Parker
Phinney
Plamondon
Rideout
Robinson
Rompkey
Skelly (Comox—Alberni)
Stewart
Taylor
Tremblay (Rosemont)
Venne
Wappel
Young (Acadie—Bathurst)

Althouse
Arseneault
Axworthy (Winnipeg South Centre)
Barrett
Bellemare
Bevilacqua
Blackburn (Brant)
Blondin
Brewin
Caccia
Catterall
Clancy
de Jong
Duhamel
Ferguson
Flis
Funk
Gardiner
Gray (Windsor West)
Harb
Harvey (Edmonton East)
Hopkins
Jordan
Kilger (Stormont—Dundas)
Kristiansen
Laporte
Leblanc (Longueuil)
MacAulay
Maheu
Marchi
McGuire
Mifflin
Mills
Murphy
Nystrom
Parent
Peterson
Pickard
Proud
Riis
Rodriguez
Samson
Speller
Stupich
Tobin
Vanclief
Walker
Whittaker
Young (Beaches —Woodbine)—98

PAIRED—MEMBERS

nil/aucun

Mr. Speaker: I declare the motion carried.

Bill read the second time.

Mr. Riis: Mr. Speaker, on a point of order again. While there have been no consultations, I wonder if we would not find, considering the hour, that we could apply the vote we have just taken against the various clauses of the bill, including the reporting of the bill and including third reading.

Mr. Speaker: The House has heard the motion. There seems to be general agreement.

Some hon. members: Agreed.

Mr. Speaker: So ordered.

Bill deemed considered in committee.

Bill deemed reported without amendment.

Mr. Loiselle moved that the bill be concurred in.

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

(*Division No. 97*)

YEAS

Members

Anderson
Atkinson
Bernier
Bird
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Brightwell
Campbell (Vancouver Centre)
Chadwick
Clark (Yellowhead)
Clifford
Collins
Corbeil
Côté
Crosbie (St. John's West)
Danis
Della Noce
Dick
Dorin
Edwards
Fee
Ferland
Fretz
Greene
Gustafson
Harvey (Chicoutimi)
Hicks
Hogue
Horner
Hudon
Jacques
Johnson
Jourdenais
Koury
Langlois

Andre
Belsher
Bertrand
Bjornson
Blais
Bosley
Boyer
Cadieux
Cardiff
Chartrand
Clark (Brandon—Souris)
Cole
Cooper
Corbett
Couture
Crosby (Halifax West)
Darling
Desjardins
Domm
Duplessis
Epp
Feltham
Fontaine
Friesen
Guilbault
Halliday
Hawkes
Hockin
Holtmann
Horning
Hughes
Jelinek
Joncas
Kempling
Landry
Larrivée

Layton
Littlechild
Lopez
MacKay
Marin
Mazankowski
McDermid
Merrithew
Oberle
Porter
Redway
Reimer
Richardson
Roy-Arcelin
Schneider
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Van De Walle
Vézina
Vincent
Wilbee
Assiniboia)
Winegard
Lewis
Loiselle
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
McCreath
McKnight
Mulroney
O'Kurley
Pronovost
Reid
Ricard
Robitaille
Saint-Julien
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Vankoughnet
Vien
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—127

NAYS

Members

Allmand
Angus
Assad
Baker
Bélair
Benjamin
Black
Blaikie
Boudria
Butland
Callbeck
Chrétien
Copps
Dingwall
Edmonston
Fisher
Fulton
Gaffney
Gérin
Grey (Beaver River)
Harvard
Heap
Hunter
Keyes
Kilgour (Edmonton Southeast)
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
Lee
MacDonald (Dartmouth)
Manley
Marleau
McLaughlin
Milliken
Mitchell
Nault
Pagtakhan
Parker
Phinney
Plamondon
Rideout
Robinson
Rompkey
Skelly (Comox—Alberni)
Stewart
Taylor
Tremblay (Rosemont)
Althouse
Arseneault
Axworthy (Winnipeg South Centre)
Barrett
Bellemare
Bevilacqua
Blackburn (Brant)
Blondin
Brewin
Caccia
Catterall
Clancy
de Jong
Duhamel
Ferguson
Flis
Funk
Gardiner
Gray (Windsor West)
Harb
Harvey (Edmonton East)
Hopkins
Jordan
Kilger (Stormont—Dundas)
Kristiansen
Laporte
Leblanc (Longueuil)
MacAulay
Maheu
Marchi
McGuire
Mifflin
Mills
Murphy
Nystrom
Parent
Peterson
Pickard
Proud
Riis
Rodriguez
Samson
Speller
Stupich
Tobin
Vanclief
Venne
Wappel
Young (Acadie—Bathurst)
Walker
Whittaker
Young (Beaches —Woodbine)—98

PAIRED—MEMBERS

nil/aucun

Mr. Speaker: I declare the motion carried.

Mr. Loiselle moved that the bill be read the third time and passed.

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

(Division No. 98)

YEAS

Members

Anderson
Atkinson
Bernier
Bird
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Brightwell
Campbell (Vancouver Centre)
Chadwick
Clark (Yellowhead)
Clifford
Collins
Corbeil
Côté
Crosbie (St. John's West)
Danis
Della Noce
Dick
Dorin
Edwards
Fee
Ferland
Fretz
Greene
Gustafson
Harvey (Chicoutimi)
Hicks
Hogue
Horner
Hudon
Jacques
Johnson
Jourdenais
Koury
Langlois
Layton
Littlechild
Lopez
MacKay
Marin
Mazankowski
McDermid
Merrithew
Oberle
Porter
Redway
Reimer
Richardson
Roy-Arcelin
Schneider
Shields
Sobeski
Sparrow
Tardif
Thacker
Andre
Belsher
Bertrand
Bjornson
Blais
Bosley
Boyer
Cadieux
Cardiff
Chartrand
Clark (Brandon—Souris)
Cole
Cooper
Corbett
Couture
Crosby (Halifax West)
Darling
Desjardins
Domm
Duplessis
Epp
Feltham
Fontaine
Friesen
Guilbault
Halliday
Hawkes
Hockin
Holtmann
Horning
Hughes
Jelinek
Joncas
Kempling
Landry
Larrivée
Lewis
Loiselle
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
McCreath
McKnight
Mulroney
O'Kurley
Pronovost
Reid
Ricard
Robitaille
Saint-Julien
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson

Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Van De Walle	Vankoughnet
Vézina	Vien
Vincent	White
Wilbee	Wilson (Swift Current—Maple Creek—
Assiniboia)	Wilson (Etobicoke Centre)
Winegard	Worthy—127

NAYS

Members

Allmand	Althouse
Angus	Arseneault
Assad	Axworthy (Winnipeg South Centre)
Baker	Barrett
Bélair	Bellemare
Benjamin	Bevilacqua
Black	Blackburn (Brant)
Blaikie	Blondin
Boudria	Brewin
Butland	Caccia
Callbeck	Catterall
Chrétien	Clancy
Copps	de Jong
Dingwall	Duhamel
Edmonston	Ferguson
Fisher	Flis
Fulton	Funk
Gaffney	Gardiner
Gérin	Gray (Windsor West)
Grey (Beaver River)	Harb
Harvard	Harvey (Edmonton East)
Heap	Hopkins
Hunter	Jordan
Keyes	Kilger (Stormont—Dundas)
Kilgour (Edmonton Southeast)	Kristiansen
Langan (Mission—Coquitlam)	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Leblanc (Longueuil)
Lee	MacAulay
MacDonald (Dartmouth)	Maheu
Manley	Marchi
Marleau	McGuire
McLaughlin	Mifflin
Milliken	Mills
Mitchell	Murphy
Nault	Nystrom
Pagtakhan	Parent
Parker	Peterson
Phinney	Pickard
Plamondon	Proud
Rideout	Riis
Robinson	Rodriguez
Rompkey	Samson
Skelly (Comox—Alberni)	Speller
Stewart	Stupich
Taylor	Tobin
Tremblay (Rosemont)	Vanclief
Venne	Walker
Wappel	Whittaker
Young (Acadie—Bathurst)	Young (Beaches —Woodbine)—98

PAIRED MEMBERS

nil/aucun

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

PRIVATE MEMBERS' BUSINESS

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

The House resumed from Tuesday, November 19, consideration of the motion of Mr. Arseneault that Bill C-211, an act to amend the Unemployment Insurance Act (temporary community service), be read the second time and referred to Legislative Committee A.

Mr. Hawkes: Mr. Speaker, on a point of order, again. There have been no consultations but the next aspect of our proceedings today would be to deal with private members' hour.

I wonder if the member whose motion is up for debate might agree to postponing until tomorrow at three o'clock any recorded division that might arise. That will leave members free this evening to pursue the schedules they had in mind.

Otherwise there will be a bell in 45 minutes and members would have to come back. It would depend on the wishes of the private member because it is private members' hour.

I wonder if the hon. member for Restigouche—Chaleur might agree to that kind of a deferral of votes if a recorded division is required.

Mr. Arseneault: Mr. Speaker, on a point of order. I would even withdraw the motion and refer the whole subject matter to committee. If I had the whole approval of the House, I would be willing to do that.

Mr. Hawkes: Certainly from a government point of view we would be happy to have the subject-matter referred to committee.

It is an important subject matter, and we would agree with that.

Mr. Speaker: The House has heard the proposition. Is there agreement?

Some hon. members: Agreed.

Mr. Speaker: And so ordered. Accordingly the order is discharged, the bill withdrawn and the subject-matter thereof referred to the Standing Committee on Labour, Employment and Immigration.

Order discharged and bill withdrawn.

Mr. Speaker: It being 6.43 o'clock p.m., this House stands adjourned until tomorrow at two o'clock p.m. pursuant to Standing Order 24(1).

The House adjourned at 6.43 p.m.

HOUSE OF COMMONS

Wednesday, December 11, 1991

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

SOCIAL HOUSING

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the federal budget for social housing is inadequate, if we are to meet the needs of 1.25 million Canadian households, one-third of which are in Quebec.

According to the *Front d'action populaire de réaménagement urbain du Québec*, when Ottawa brings down its next budget it should drop the 15 per cent cut in funding for construction of low cost housing introduced in 1990. In the housing sector about 60 per cent of Quebec's budget for housing comes from the federal government.

Ottawa should undertake to build 20,000 units annually in this country, with 5,000 units for Quebec.

* * *

[*English*]

OCCUPATIONAL HEALTH AND SAFETY CENTRE

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, Treasury Board's leaked decision to shut down our world renowned Canadian Centre for Occupational Health and Safety on April 1, 1992, on April Fool's Day, is no joke.

It is not even black comedy. It is a tragedy which will cost lives, health and productivity. In addition to saving the health and lives of working Canadians, the centre is one clear way to establish working conditions that begin to deal with the dollar side of the cost equation represented by industrial accidents and sickness stemming from poorly understood hazards, et cetera. It pioneers in the development of safe, cost lowering working conditions.

What will closing accomplish? It will cost this government more to close the centre than to maintain previously promised financial co-operation until 1995 when the centre would be able to stand independently.

There would be $3 million in severance packages and close to $2 million in leases, just for starters. Additionally the loss in memberships and contracts undertaken in good faith with international bodies like the World Health Organization and the ILO is incalculable.

With work place productivity losses presently running at 17 per cent or 3 per cent of the GNP, this decision is so stunning that one must seriously question—

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

* * *

[*Translation*]

HIGH SPEED TRAIN

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, as the member for Québec-Est, a riding that happens to be at one end of the high speed train corridor, I wish to announce that I am delighted with my government's decision to proceed with a feasibility study that will consider the advantages of going ahead with the first high speed train project in this country.

My colleague, the Minister of Transport, and his counterparts at Transport Ontario and Transport Quebec, have taken the necessary steps to move ahead with a project that happens to be one of the most exciting projects being considered in Canada today, as well as a first for North America.

This decision follows a recommendation by the Carmann-Bujold report to conduct a more thorough study before a decision is made either to go ahead or scrap the project.

We should also realize that the Quebec–Windsor corridor is one of 23 potential corridors in North America.

Because of the very short speaking time I am allowed at this point in our proceedings, I cannot expand on this very important issue. However, not long ago I made a speech on the same subject, and copies are available at my office to anyone who is interested.

* * *

[*English*]

SUSTAINABLE DEVELOPMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the Prime Minister has spoken glowingly, eloquently and frequently about sustainable development. Yet one year after tabling the green plan the government has failed to take one concrete step toward integrating environmental and economic decision making.

If the Prime Minister understands and means what he says about sustainable development, a proposal for an economic union would never have been tabled without a parallel environmental union being fully integrated. The government would not be negotiating a trilateral trade deal, a clearly economic agreement, without making it also an environmental agreement.

I ask the Prime Minister, therefore, either to make a clear statement to the House on what he means and what he intends to do about sustainable development or to stop pretending.

* * *

CANADA COUNCIL

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, there are many dimensions to the unity of Canada. In fact the very diversity of the Canadian identity is an important source of our nation's strength.

The Canada Council expresses that precept extremely well in its quest to spawn excellence in our cultural communities. In its peer jury process to inspire and recognize national and artistic standards of the highest order, the council applies the total Canadian perspective. It is not enough to merely excel in your own region or province or even in your own artistic sector. You must stand the competitive test among all Canadians to merit the critical and discriminatory support for which the Canada Council is noted.

It believes that it is in the celebration of all cultural identities throughout this entire country that we shall realize the richness of the Canadian potential.

If our diverse cultural expressions constitute the soul of our nationhood, as so many Canadians believe, then the Canada Council is surely one of the most important institutions in the pursuit of our national destiny.

* * *

CHILD POVERTY

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, on November 24, 1989 a resolution was passed in this Chamber committing this government to eliminate child poverty in Canada by the year 2000.

Just a year ago the Prime Minister signed the United Nations Convention on the Rights of the Child which among other things bound all signatories to reduce poverty by the end of 1990.

In the *Hamilton Spectator* today it was reported that more than 1,550 children would be looking to the Good Shepherd Centre this Christmas for food and clothing. This is a 105 per cent increase over last year.

A number of constituents have written to me asking why the Conservative government has not acted on any of these resolutions. Why has the Prime Minister forgotten about Canada's children?

I urge this government to make one final resolution this year, a New Year's resolution that will stop making promises it cannot keep, and that it will enact the Canada 2000 proposal and ratify the United Nations Convention on the Rights of the Child.

Canada's children deserve at least that much.

* * *

CANADIAN UNITY

Mr. Garth Turner (Halton—Peel): Mr. Speaker, with the apparent dismantlement of the Soviet Union last weekend a startling fact is starting to dawn on Canadians. Canada looks like it will emerge as one of the biggest countries in the world with the failure of the U.S.S.R. and its breakup into smaller units.

I think this should give all of us reason to pause and reflect on Canada. Here we are a huge nation with a small and favoured population and with the second highest standard of living in the world. We are resource rich. We speak two world-class languages. We have social programs that our U.S. neighbours would kill for.

Given all this, how can reasonable Canadians contemplate throwing it away? But that is exactly what separatists in Quebec are doing and that is what regionalists in the rest of the country are willing to contemplate when they say, as Preston Manning did, that we should deal with Quebec with "benign indifference".

Well, this is one Canadian who wants to be neither benign nor indifferent and my country, one of the largest on earth, is worth fighting for.

* * *

THE ECONOMY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, as this sitting of Parliament draws to a close I urge the Prime Minister to agree to a meeting on the economy with the provincial premiers.

The Prime Minister said yesterday that he would only have such a meeting if the premiers agreed not to complain about the economy. "No whining allowed", said the Prime Minister. He wants the premiers to say that he and his government have been doing just a great job and that the economy has no problems.

I can only hope that the Prime Minister was joking. If the economy is in such great shape, why does he think the premiers want such a meeting in the first place?

• (1410)

Cape Breton has an unemployment rate of over 30 per cent and during this past year we have had a record number of business bankruptcies. Cape Bretoners are very concerned that the new year may bring more of the same.

I urge the Prime Minister to meet with the premier of Nova Scotia and others to work at fixing the economic disaster that has been created under his government.

* * *

[*Translation*]

GREEN PLAN

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, the green plan is well under way. We have started the changes that are needed to make sustainable development a fact of life in this country. We must now keep up the good work. The federal government will maintain the partnership it initiated with Canadians. In order to build on the successes we have achieved so far, $400 million have been earmarked for 1992-93.

We must also continue the implementation of current projects. The government will introduce new initiatives very shortly, and it will concentrate on changing decision-making processes at all levels of our society. Furthermore, the government will continue to actively promote sustainable development in various international organizations.

We are firmly resolved to implement Canada's green plan from *a* to *z*. It is an action plan that looks to the future and at the same time focuses on protecting our Canadian heritage.

* * *

[*English*]

OCCUPATIONAL HEALTH AND SAFETY CENTRE

Mr. Stan Keyes (Hamilton West): Mr. Speaker, according to an internal memo the Minister of Labour has been directed by Treasury Board to close down the highly respected Canadian Centre for Occupational Health and Safety, unless of course labour and business can come up with over $1.5 million by the middle of next month, a highly doubtful prospect given the made-in-Canada recession caused by this government.

Among other things the minister has been told to present, and I quote:

> The names of the chairman and committee members in charge of closing down the CCOHS—plan to terminate contracts with employees and clients, and, a statement of total costs and draft the official announcement on the closure.

One year ago this House supported my private member's bill to reinstate funding to the centre. It has failed to act on that recommendation.

Has the Minister of Labour become a willing hatchet man for Treasury Board, or will it support a national centre whose programs save the lives of working men and women in this country?

* * *

STUDENT LOANS PROGRAM

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, the Canada Student Loans Program is in trouble. It needs change. The amounts available are stuck at 1984 levels, while tuition and other costs have increased dramatically, largely due to this government's policies.

Some universities have even started food banks for students. The provincial education ministers want change. They want the federal government to act now, as it must act, to permit consultation and finalization of a new program by the end of January. If not, changes will be delayed for yet another year. Meanwhile the government seeks in consultations across the country to convince Canadians that education is crucial to our future prosperity.

What better way to convince them to act. Even now, even after seven years of inaction, a new student loans program would at least be a start.

* * *

VOLUNTEER SERVICE MEDAL

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, the Canadian Volunteer Service Medal for Korea is not a medal of honour but is a service medal. It is being sent by mail to those veterans who apply for it and are qualified by their Korean service in the traditional way.

That is the way the service medals for the First World War and Second World War were sent. That is still the way the Department of Veterans Affairs sent replacement medals which fall within its jurisdiction, and that is the way the Office of the Governor General of Canada is sending the Canadian Volunteer Service Medal for Korea. That is also the method agreed to by the president of the Korean Veterans Association of Canada, as indicated in a recently released newsletter I hold here.

The Minister of Veterans Affairs has sent a letter to all, outlining procedures for arranging more formal ceremonies. I suggest the member for Hillsborough refer to that letter. As well, the hon. member for Hillsborough has certainly been the critic for veterans affairs long enough to know medal application procedures.

* * *

THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, yesterday the Minister of the Environment admitted that budgets and policies are not assessed for their environmental impact.

Government policy statements do contain the right buzzwords but they lack in substance. For instance, the Department of External Affairs just produced a paper on foreign policy. It reads well until the conclusion that Canada cannot afford to be a leader in the environment.

And why? Because of the false assumption by this government that the environment and the economy are separate. Because of this outdated thinking, Canada has steadily fallen behind in the development of efficient and competitive industrial and environmental technologies. Unfortunately this government still fails to understand and practise sustainable development.

* * *

CROSS-BORDER SHOPPING

Mr. Girve Fretz (Erie): Mr. Speaker, I am impressed by the ingenuity of retail merchants in border towns who are finding inventive ways to keep local shoppers at home.

I have with me the first issue of a publication from the National Task Force on Cross-Border Shopping called *Cross-Border Bulletin*. This publication acknowledges that while cross-border shopping persists as a menacing threat to business, Canadians have already proven they can compete with and outperform their stiffest competition.

I want to share my pride in the merchants of Erie who are no strangers to American competition. In Port Colborne the Community Futures Program and the Community Business Network joined with the Chamber of Commerce and the Downtown Development Board to present a seminar entitled "Service Excellence" to 17 businesses as well as students from the business courses of the two local high schools.

I congratulate all border communities that are meeting the challenge head on, and I have every confidence that Canadian business will emerge stronger for the effort.

ORAL QUESTION PERIOD

[*Translation*]

THE ECONOMY

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. Yesterday the Prime Minister once again refused to call a first ministers' conference on the economy. He said that his government intended to stick with its policies and that the premiers had no choice but to follow suit and shut up. My question to the Prime Minister is this: If his policies are so good, why did we lose 49,000 jobs last month in this country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, unfortunately the statement made by the Leader of the Opposition is completely false. I said nothing of the sort, nothing.

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, yesterday the Prime Minister made a statement somewhere and I would like to quote what he said on confidence in the economy.

The Prime Minister said outside the House, on the stairs: "We have got a plan of action. That is the way the government is going to go. The premiers are either in or they are out. If they have some better ideas they can bloody well tell us what they are".

I would like to say to the Prime Minister that there are 1.4 million people out of jobs in Canada who want to have an answer from this government. They do not like this "my way or no way" that the Prime Minister always uses. The Canadian people know very well that the Prime Minister cannot lecture anybody on the economic life of this country.

I want to ask the Prime Minister why he does not do the right thing and call a conference right away.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, whether he says it in English or French, his statement was false. The Leader of the Opposition began by saying that I had refused to call a first ministers' conference on the economy. That statement is false.

Mr. Tobin: Are you announcing one?

Mr. Mulroney: My hon. friend asks if I am announcing one. If the Leader of the Opposition had kept reading the transcript he would have found out that I will announce a decision after the Minister of Finance has met with his fellow ministers of finance, as I have said from the very beginning.

I have been meeting with all of the first ministers. I have had very good meetings with the first ministers on the economy.

They asked a question, and I am trying to answer it. Most of the first ministers have expressed an interest in a meeting, provided that meeting was not a session of whining and complaining. They do not want to participate in that kind of nonsense. I do not want to hold that kind of session because I do not believe it would be helpful.

• (1420)

As I have indicated from the very beginning, the Minister of Finance will meet with his colleagues over two days and will make a recommendation to me pursuant to those meetings as to the advisability of holding a conference. If his view is positive, I would be happy to convene a meeting of the first ministers in Ottawa and get the benefit of their views on how we can improve the economic situation in their provinces and across Canada.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I am happier with the answer today because yesterday his own friend, the premier of Nova Scotia, the member from Pictou County, Mr. Cameron, said that he was peeved by the attitude of the Prime Minister. I know that in the legion halls of Nova Scotia they have used another word.

I just want to ask the Prime Minister why he does not change his attitude and think about these unemployed people who want everybody to work together in Canada today.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, one thing I try to avoid is a peeved person from Pictou. I have a great relationship, as we all have, with Premier Cameron who is doing a tremendous job down there.

An hon. member: Get serious.

Mr. Mulroney: The Liberal member from Cape Breton says: "Get serious". He is contradicting his leader who has just implied that Premier Cameron is doing a tremendous job down there, and I agree with that. I look forward to meeting with Premier Cameron and his colleagues across the country to improve the economic situation in Canada. I look forward to hearing their ideas.

I think there would be general recognition in Canada that where we should not expect any ideas—I expect some from the premiers and I look forward to it—is from the Liberal Party in Ottawa.

* * *

PUBLIC ACCOUNTS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is for the Minister of Finance.

The Public Accounts of Canada for 1991 were tabled in this House yesterday, but the Auditor General of Canada is holding back on full approval because he says: "The government has used improper accounting methods, methods that artificially deflate the 1991 deficit by some $2 billion".

I ask the minister: Why is the government using phoney accounting practices? Why is the government not coming clean with Canadians? Why is the government cooking the books?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I was somehow kind of hoping that the hon. member would give this House the opportunity to hear the statement for the first time, but I read it in the paper this morning so I expected this question.

The hon. member will know that for 14 of the last 15 years the Auditor General of Canada has always had some sort of reservations. This year, if the hon. member goes to the trouble of reading his report attentively, he accuses us in some instances not of using the wrong numbers but the accounting method, he says. In some cases we overstate certain amounts and in other instances we understate them.

I think on balance we disagree of course with certain aspects of the accounting, but I believe we are prepared to stand by our number.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is for the Minister of Finance because I would like to have a serious answer this time.

In 1988 the Canadian Institute of Chartered Accountants recommended that the government modify its accounting conventions and practices in order to measure and present the deficits and debt accurately and in the same way from one fiscal year to the next. So far the government has done nothing.

Does the Minister of Finance intend to accept the accounting methods proposed by the professionals? In his budget next February, will he finally adopt modern efficient accounting methods?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I can say that the government uses such methods.

Of course, one can disagree about the actuarial evaluation of some projections. That happens, by the way. Even two auditing firms will not agree with each other sometimes. But we are very careful about using the most modern state of the art actuarial methods and I must say that our evaluation is quite consistent with the one we had in the budget.

* * *

[*English*]

THE ECONOMY

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

I have here just a partial list of all the lay-offs that have taken place in 1991. There are hundreds and hundreds of companies. There are thousands and thousands of employees. Today we learn about a possible major lay-off in a GM plant of 3,700. Retail stores are closing. More and more people are out of work. Every day families are suffering.

I want to say to the Minister of Finance—surely he does not need to wait any longer—please tell the Prime Minister to hold a first ministers' conference on the economy and get people back to work.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the first thing the hon. Leader of the NDP might do is appeal to her leader in Ontario to stop putting road-blocks in front of a recovery out of recession, as the president of the Ford Motor Company said the other day.

I recognize the difficulty and the hurt that is going out there, but I think it is important to maintain a balanced perspective. She talks about the free trade agreement and the GST, but I have to tell her that in the last year or so these are the firms that have closed their operations in the United States and have transferred their operations to Canada: Canadian Thermos Products, Scarborough, Ontario; Gandalf Technologies, Nepean, Ontario; Huron Cable, Waterloo, Ontario; Hughes Aircraft, Midland, Ontario; InterCity Products, Brantford, Ontario; Kodak Canada, Toronto, Ontario; Keeprite Incorporation, Brantford, Ontario.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I would certainly congratulate the Minister of Finance on naming all those wonderful companies that are moving to Ontario, and we know why.

I would like to direct my supplementary question to the Prime Minister. Economists everywhere are questioning the economic policies of this government and are crying out for change. I want to say to the Prime Minister that the anger and fury we have seen across the country are very quickly turning to despair, fear and hopelessness.

In fact I can quote from letters that I receive every day. I received one just yesterday from a man who was laid off at his work. He states: "I have worked in the construction trade for 10 years. It is hopeless. I cannot get a job. I cannot hold my head up high".

I want to say to the Prime Minister: rather than simply talking about people who are whining, these people who are laid off are not whining. They are feeling a sense of hopelessness. I call on the Prime Minister himself. Will he call a first ministers' conference on the economy?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member knows that we are going through some very difficult times, but I have not found any knowledgeable person who has suggested we should change course.

Some hon. members: Oh, oh.

Mr. Mazankowski: Mr. Speaker, I do not think that even the treasurer of the province of Ontario would recommend such an alteration of course.

What is in fact occurring, and the OECD reported today, is that there is genuine sluggishness in the world economy. The OECD has reduced its growth projections by three-quarters of 1 per cent to an average growth rate in the industrialized world of some 2.2 per cent. They have adjusted the Japanese growth rate from 3.5 per cent to 2.5 per cent and the United States down to 2.2 per cent. Canada is part of the globalized economy. Canada is part of the global trading area and we cannot isolate ourselves. Therefore, we have put in place a program, a plan that will alleviate the inflationary pressures, that will keep interest rates down and that is the best approach to sustainable growth with price stability.

• (1430)

[*Translation*]

Hon. Audrey McLaughlin (Yukon): I wish to ask the Prime Minister a supplementary question, Mr. Speaker. If the Prime Minister is unwilling or unable to bring the nations's first ministers together to discuss constructively a situation that is so tragic for so many families in Canada, he should seriously consider retiring. I would ask the Prime Minister to use the time he has left to show leadership and compassion and to call a first ministers' conference to implement policies that will give new hope to families across the country.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have already said many times that I just completed a series of meetings with the premiers across the country.

The Minister of Finance will meet his finance colleagues for two days starting on the 12th of this month. After that, he will advise me on the usefulness of holding a first ministers' conference on the economy.

Several premiers have already said publicly that they would not want to attend such a meeting if the purpose was simply to blame Ottawa, because they approve of the Canadian government's over-all policies. But we will decide to hold such a meeting, and I will be pleased to call one, if we can have interesting ideas from the premiers. I will ask for specific ideas. To date, our policies have produced the lowest inflation rate in 20 years, the lowest interest rates in 18 years, and the highest growth rate in the industrialized world today. In a difficult environment, I think we must admit that is not so bad. Indeed it is very good for Canada.

[*English*]

CHILD POVERTY

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Prime Minister.

Today the subcommittee on poverty intended to release its long awaited report on child poverty. Instead, the Prime Minister has pre-empted the report so that he can have a photo opportunity, surrounded by children during the signing of the Convention on the Rights of the Child.

I would like to ask the Prime Minister when he intends to stop the rhetoric, stop manipulating children and start acting on the real problems of child poverty.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I believe it is sad on the day that the Prime Minister will sign the convention on the rights of children to have that kind of question.

I would appreciate if the member would recognize the role the Prime Minister played last year at the summit and will play this afternoon signing the convention. I would hope that the member from Manitoba would recognize that the Prime Minister committed himself last year to signing the convention and he will do that this afternoon.

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, in October of last year the then minister of health and welfare was declared minister responsible for children. He took the occasion to make firm commitments to a national child care program that he said would enable families to work their way out of poverty.

That minister was set aside, his promises were forgotten and poor children in Canada were once again forsaken by this government.

I ask the new Minister of National Health and Welfare to offer Canadians a reason why his soon to be announced strategy on children should be viewed as anything but yet another heartless political ploy by this government.

Is there any more room on the Tory shelf of broken promises?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, it is always impressive to see the opposition playing politics with children.

Some hon. members: Hear, hear.

Mr. Bouchard (Roberval): Mr. Speaker, as long as we have poverty for children in this country, I will do my best to correct the situation.

This member and her colleagues have asked me many times when the government will finally sign the convention on the rights of children. It will be done this afternoon, and I hope that all members of the House, without any partisanship, will recognize that what is important today for all the children of Canada is that we will sign the convention.

The convention recognizes that all Canadian children have rights. This is a great step forward for the future of this country. I would hope that members will applaud all those children who are in the House today.

There are 36 children representing all the children of Canada. I would hope that the member would admit that something today is good and positive for the children of Canada.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, my question is for the Prime Minister or the minister of health.

This Christmas 284,000 children will go hungry. In Montreal alone, it will be 50,000; in Toronto, it will be 60,000; and in my own small city of Winnipeg, it will be 10,000.

Today the Prime Minister will ratify the UN Convention on the Rights of the Child. What measures will the Prime Minister take to also ensure the right of Canada's poor children not to go hungry this Christmas is guaranteed?

[*Translation*]

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I think all members of this House will agree that as long as there are children in Canada who are living in poverty, we must do everything we can so that the government and society in general can take care of these children.

We all deplore the existence of food banks. However, I think we must be realistic, and I imagine everyone will agree that it takes time to turn the situation around. In fact, it has existed for some time, and I think there were food banks when the hon. member's party was in power.

However, as I said before in English all Canadians should be glad to see the results of the work done by the Prime Minister of Canada at last year's summit in New York. This afternoon he will make good on his commitment to sign the convention on children's rights, and I hope that all members of this House will appreciate that fact.

* * *

[*English*]

POVERTY

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my supplementary is for the same minister.

The current struggle to have the basic necessities of food and shelter is reaping its devastating effect on Canadians in the north.

Northerners for the first time are now forced to establish dependencies on food banks, and there are school children who share their lunch with those who are coming to school hungry.

What is the minister prepared to do with the conditions of poverty in this country so grim that people are walking homeless and hungry at minus 47?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I believe that question is the same as the one I answered before.

Once again, I said that we are very sensitive to the problem of poverty, particularly for children and people who the hon. member represents. I know very well that where we have one poor child in the country, in native communities we have two.

I know and I recognize that very well. In the strategy that I will put forward, I want to put particular emphasis on the aboriginal people and the problem of poverty for children.

SOCIAL CHARTER

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, my question is for the Prime Minister.

Yesterday the European Community adopted a social charter. The Prime Minister often cites the European Community as an example for the direction in which the world is going.

Will he now acknowledge that the time has come for Canada to adopt a social charter to define the principles and the values we share and to protect the institutions and programs that reflect those principles and values?

• (1440)

Will he undertake today to raise the issue of a social charter with the premiers in future constitutional discussions?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, the issue has been raised in very general terms by the premier of the province of Ontario. I can arrange for the hon. member to speak to the premier of Ontario if that would be helpful.

Some hon. members: Oh, oh.

Mr. Clark (Yellowhead): Well, I will not do that if it is not desired.

What I think is needed now is some detail from those provinces and others that are interested in a social charter. I think it would be helpful to have that come before the special joint committee so there will be a specific proposal that can be looked at by the special joint committee and upon which recommendations can be made to this House and to the country.

* * *

RIGHTS OF THE CHILD

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is for the Prime Minister. In signing the UN Declaration on the Rights of the Child today, the Prime Minister will accept the principle that "the essential needs of children should be given high priority in the allocation of resources in bad times as well as in good times".

"In bad times as well as in good times", the principle of first call.

I want to ask the Prime Minister why he is being so inconsistent. If he is so committed to the over one million poor children in Canada, why is his government so consistently attacking the social programs upon which they rely for their very survival?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Government of Canada spends, I think, in excess of $15 billion a year at the moment in looking after children in various ways.

Reforms to the tax system that we have brought about have favoured the working poor. My hon. friend is shaking his head. The fact of the matter is that all of the tax changes have been designed to help working families and the working poor. I think that is pretty obvious and is recognized by experts. There is nothing inconsistent at all with anything that is taking place except this. My hon. friend says food banks. No, that is wrong.

The minister of health just said it properly, when one child in a country like Canada is in poverty, that is one child too many. What we are working toward by trying to restructure the economy to build new wealth is to have more genuine resources so that we can distribute them to people in need, beginning with children. The declaration this afternoon is pursuant to an international convention on behalf of children, which benefits children. I will be damned if I can figure out why the NDP and the Liberals are making partisan shots at something so important as the welfare of children.

* * *

CHILD POVERTY

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, one of the reasons why Liberals are raising this question is because UNICEF itself has said that Canada's proportion of children living below the poverty line has increased over the past couple of years. That is from the United Nations itself.

That's false? If the Prime Minister is still learning how to read, he should start reading that report.

Mr. Speaker: Just a moment. The Chair has been fairly patient on this subject. I would like the attention of the House, please. The Chair has been fairly patient on this exchange. However, I am now asking members to put questions and I am asking ministers to do the very best they can to answer. I do not think we are advancing the cause everybody seems to be so excited about by some of the conduct in the Chamber.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, when the Prime Minister signed the declaration last year, every world government committed to putting forward a clear plan of action by the end of 1991. We do not yet have a plan of action.

I want to ask the Prime Minister this. In the next 24 hours, before this House closes, will the government table its plan of action to deal with the problem of children?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, the plan of action will be tabled in the House around February or March.

The reason is very simple. We live in a federation where we are trying to be in line with all the provinces. In the case of children, I think the positions of the provinces have to be put all together, which has not been easy even for the convention because the convictions are not the same all across the country.

I can assure the member that within the next two or three months we will put in front of the House of Commons a plan of action dealing with children and I believe we will do what is necessary to help all children of Canada.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, on my supplementary let me go back to the Prime Minister.

When he signed that declaration Canada committed additional resources, close to $350 million, to a world action plan. In the meantime we have cut back our ODA budgets.

I ask the Prime Minister this: Would he endorse the idea of using those funds withheld from countries with unacceptable human rights records, such as the $30 million we withheld from Indonesia, and direct that money to programs to address children's poverty around the world?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are going to make and will continue to make very substantial contributions to children both in Canada and around the world.

Our immunization programs for the Commonwealth and the Francophonie are regarded as a model for the world. Our contribution to children's programs at the United Nations is, I believe, second to none. In fact I think with a population that is 31st in the world, Canada ranks fourth or fifth in the entire world in the size of its contributions to the United Nations and its agencies, and that is a record without parallel.

That has improved over the last number of years so we will be happy to.

My hon. friend says there has been a reduction in ODA. That is wrong. There has been an increase in ODA and there has been an increase in the programs to children, both in Canada and throughout the world.

We have not done enough. We acknowledge that. There are children at risk here in Canada for reasons of poverty, for sexual abuse, and this is an important societal problem that requires the efforts and the enlightened leadership of members of all parties. This is the one question that surely ought to be free from partisanship.

* * *

THE ENVIRONMENT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Minister of the Environment.

Last week the Auditor General reported that the federal government advanced $13 million to Cape Breton Wall Coverings, a company whose activities were such that the provincial government refused to grant it the necessary environmental certificates required to operate.

[*Translation*]

On this first anniversary of the green plan, how can the government justify grants to companies that violate the environmental laws of this country?

[*English*]

Why in a country that desperately wants to embrace sustainable development and is looking for leadership is the federal government going the other way by funding companies that break the law of the land?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, as far as the specific case is concerned, the hon. member will not be surprised at all if I say to him that I will have to look into that matter. I do not have the information here at hand; neither am I expected to have the information about a company that received a grant in Cape Breton.

I will be happy to look into that matter.

First of all, the compliance to environmental regulations on a local level is something of provincial jurisdiction, but that being the case I would be happy to look into the matter.

He refers to the green plan. I would be curious to know whether this is a matter that was dealt with before or after the green plan.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, there can be no better example of the lack of accountability or of the unconsciousness of this government that this item was raised in the Auditor General's report over a week ago.

Surely to God the little hacks that the minister has around him could pick that up.

Mr. Speaker: Perhaps the hon. member could put his question.

Mr. Martin: Mr. Speaker, the question gets much worse. The Auditor General said that the government knew about the problem. The company has now gone into receivership. The depression is very clear. Can the minister think of a better example of why bad environmentalism is also bad economics? Does the government not have enough problem with hazardous waste sites—

Some hon. members: Oh, oh.

• (1450)

Hon. Jean J. Charest (Minister of the Environment): It is difficult to try to draw a question from the statement made by the member. It seemed incoherent to me, Mr. Speaker.

Let me point one thing out about a comment that was made by the member. He alludes to the Auditor General's report and some complications around the Auditor General's report. If he goes back to the same report on the chapter on the environment, he will also find that the Auditor General notes that his remarks were made before the green plan was implemented.

LAND CLAIMS

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, in a precedent setting announcement the B.C. government said it is ready to negotiate and settle land claims in that province. Last week the minister of Indian affairs appeared to place a roadblock in the way of negotiations by demanding a cost sharing agreement to be in place with the province as a precondition to those land claim negotiations.

In view of the B.C. minister's very positive response yesterday to the B.C. First Nations task force, is the minister willing to drop his precondition so that negotiations of the B.C. land claim can proceed as quickly as possible?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank the hon. member for his question. I want to, together with all members of this House, commend the Government of the province of British Columbia for its recognition that this historic injustice of some 120 years of denying the existence of aboriginal rights and title in British Columbia has now been addressed by the government of that province and that it has joined with us in agreeing to establish a treaty commission, together with the leadership of British Columbia First Nations, to get on with negotiating honourable settlements to these matters.

I think it is also obvious that the people of British Columbia will benefit more than all other Canadians from the settlement of these matters and that British Columbia must share in the roles and responsibilities that both governments must bring to the table in this process.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I thank the minister for his response, but I think he is aware that negotiating a cost sharing agreement with the province of B.C. could be a time consuming process, complicated by references to the courts. It could take a long time. As the minister has already indicated, it has taken 123 years to date.

Would the minister be willing to begin land claims negotiations immediately if the province were to agree to a framework agreement for discussing sharing of the costs prior to negotiations?

Mr. Speaker: I point out that the question may be out of order, but the hon. minister may want to deal with it.

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): If I may, Mr. Speaker, now that the British Columbia government has stated its position and the minister has expressed his willingness to sit down and discuss this matter, I am certainly looking forward to discussions next week. I look forward to the co–operation of the British Columbia government in recognizing its responsibilities in this matter.

* * *

TAXATION

Mr. Al Johnson (Calgary North): Mr. Speaker, my question is for the Minister of Finance.

Last June the minister indicated in the House his willingness to consider ways of making the tax system fair and equitable, particularly as it relates to Canadian families. Since then the Schachtschneider family has lost its case in the courts and many other families are looking in dismay at a tax system which discriminates against them.

Can the minister tell us when he will do something to ensure that the tax system treats all families equally?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I appreciate very much the very good work that the hon. member and other members of Parliament, and particularly members of the Conservative Party, are engaged in on this very important subject.

I want to assure him that the recommendations that have been advanced are being taken seriously. We are looking at them right now. I am sure that we can derive some positive conclusions from the recommendations that are forthcoming.

All I say is congratulations and we hope that together we will be able to improve this situation.

* * *

GOODS AND SERVICES TAX

Mr. Garth Turner (Halton—Peel): Mr. Speaker, my question is for the Minister of National Revenue.

A year ago critics were warning that the introduction of the GST would fuel the underground economy as businesses scrambled to avoid paying the tax. That perception is certainly being fuelled now by those same critics.

I ask the minister to tell the House, now that we have had almost a year of GST, if the underground economy is expanding. If so, is the GST responsible for it and, if so, what is he going to do about it?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, as the hon. member knows, it was this government that had the courage to scrap the old outdated federal manufacturers' sales tax because of the impediment that it had on Canadian competitiveness.

We predicted, based on the tax roll, registration of between 1.4 million and 1.6 million registrants for the new value added tax known as the GST.

I am sure that all hon. members will be pleased to know that as of last month there were 1,727,975 registrants, confirming the New Zealand experience that much of the underground economy, not all of it but much of it, has come up from underground, taken advantage of the write-offs and the input tax credit for the benefit of Canada's competitiveness and Canada's economy.

* * *

POVERTY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Finance.

It is hard to believe that metropolitan Toronto has been reduced to a city where one in five Torontonians live below the poverty line and over half of the city's homeless happen to be children.

I ask the minister: Why has this government been so indifferent to this colossal economic tragedy and when can Toronto expect federal initiatives to stimulate an area of the country that is indispensable for our national economic prosperity and reverse a social face that is becoming uglier by the day?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member knows that we have several housing initiatives that are in place. One of the best ways to stimulate housing is to bring interest rates down and keep them down. That is clearly the most important way.

Mr. Marchi: But people aren't working, Don.

Mr. Mazankowski: Mr. Speaker, if he wants to ask me that question, I will answer that question as well.

The fact of the matter is that one of the bright spots in the Canadian economy is the investment in the housing sector which has increased by 17.2 per cent in the third quarter and that has brought housing starts in the month of October to 204,000, a 17-month high. That should be encouragement for everyone.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I must submit to the Minister of Finance that if he is doing his very best then I think his very best is no longer good enough for Canadians.

This month, Toronto will reach a very depressing milestone: 100,000 welfare cases. The commissioner of Toronto's community services department says: "We are probably about where we were in the winter of 1938-39".

My question for the Minister of Finance: When will this government act on this serious crisis and bring back much needed hope to the people of Toronto?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Of course, Mr. Speaker, we are going through some difficult times. The recovery is certainly not as buoyant as we had expected, nor as buoyant as we would like. That is reflected as well in the global conditions.

As we just learned a few minutes ago, the OECD has revised downward its growth projections from 2.9 per cent to 2.2 per cent on average. The U.S. economy has been adjusted downward from 2.9 per cent to 2.2 per cent. Canada's outlook is still very promising according to the OECD and others because we have a plan. We are staying the course. We will continue to stay that course because that will provide the long-term basis for prosperity.

* * *

[*Translation*]

TAXATION

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Finance.

In 1980 the PQ governement introduced a payroll tax in Quebec. In its last budget the federal government made it clear that it would no longer allow companies to deduct provincial capital and payroll taxes from their federal income tax.

My question is this: Today, in view of the state of the economy in this country, is the Minister of Finance prepared to reverse this decision for the benefit of companies in Quebec, Ontario and Manitoba?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, as the hon. member is no doubt aware, we took advantage of a meeting with the *Conseil du patronat* on Monday this week to discuss the matter.

We understand the concerns of Quebecers, Ontarians, and other Canadians in this respect. I can inform the hon. member that my colleague, the Minister of Finance, is reviewing this question and that he may have some news for us when he meets with his provincial counterparts.

* * *

• (1500)

[*English*]

TRADE

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have a question for the Minister for International Trade.

Recently the Eddy Match Company of Canada had two truckloads of commercial matches stopped by American customs at Buffalo because the made-in-Canada logo was not located underneath each commercial name on each package of matches and in the same size lettering as the commercial message itself.

What a lot of balderdash. Why did the government not insist on having this silly regulation changed instead of walking away from it before signing a free trade agreement at any price and thereby putting many Canadian industries and jobs in jeopardy?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, I do not know anything about the particular case, but I will certainly take it up with our department and get back to the hon. member.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, this non-tariff barrier is a blatant act of bad faith in the U.S. in light of the free trade agreement. For several Canadian industries this has become an irritant which was not a problem before.

What is the government going to do now to correct this horrendous non-tariff U.S. customs regulation which this government willingly, if not irresponsibly, adopted when it signed the free trade agreement?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, I am not at all sure that this has to do with the free trade agreement. If it is particularly a problem with respect to printing, we will take it up with the department concerned and I will get back to the hon. member.

* * *

[*Translation*]

AIR CANADA

Mr. Nic Leblanc (Longueuil): Mr. Speaker, my question is directed to the Minister of Transport. On the weekend we heard in connection with Air Canada that the Minister of Transport, who has special responsibility for the Montreal area, had no intention of stopping the wholesale transfer of skilled jobs from Montreal to Toronto. Will the minister stop washing his hands of the matter and start saving the few jobs left at Air Canada in Montreal?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, my answer to the hon. member for Longueuil is that he should not start false rumours. There are absolutely no plans for Air Canada to move any part of its headquarters out of Montreal.

[*English*]

Mr. Speaker: That concludes Question Period.

I have a ruling that I must give at this time and I have two points of order which I will deal with in a moment.

An hon. member: Questions of privilege.

Mr. Speaker: An hon. member thinks they are questions of privilege. I will speak to the hon. member in a moment, but in the meantime I have a draft ruling which ought to be given.

PRIVILEGE

MEMBER FOR TIMISKAMING—SPEAKER'S RULING

Mr. Speaker: After having co-operated with the Chair and twice postponing his question of privilege, the hon. member for Timiskaming rose on Tuesday, December 3, 1991, to protest certain comments made in the House by the hon. member for Sudbury in an exchange which took place during Question Period on Thursday, November 28, 1991.

On that date, the hon. member for Sudbury asked the Parliamentary Secretary to the Minister of Public Works a question concerning the termination of a contract for the construction of a veterans affairs building in Kirkland Lake.

The parliamentary secretary responded, and then in a supplementary the hon. member for Sudbury put the question:

> I want to know the real reason behind this nonsense. Is it because the owner of the second site and the member for Timiskaming just happen to be brothers-in-law?

That was denied by the Parliamentary Secretary to the Minister of Public Works.

The *Debates* show that someone then shouted out: "It sure helped the brother-in-law" and another hon. member said: "All in the family".

[*Translation*]

As I explained to the House on Tuesday last, I am concerned not only with the question raised by the hon. member for Sudbury but also with the mood that was created by that question. The Chair has to decide whether that question and those comments are merely out of order or whether they constitute a question of privilege.

[*English*]

The hon. member for Timiskaming was given quite a full opportunity on Tuesday last to respond to what he termed "allegations which have caused damage to myself, my family and the riding of Timiskaming".

The hon. member for Sudbury, for her part, has stated in response to the member for Timiskaming, and this is important, and I quote: "I do not for one minute infer any wrongdoing on the part of the hon. member, absolutely none".

Our jurisprudence is fairly clear in this regard. There has been no direct charge against the hon. member for

Timiskaming raised by the hon. member for Sudbury and any inference to this effect has been categorically denied by the hon. member for Sudbury.

On the narrow issue then of whether a question of privilege can be found on this basis, the Chair cannot decide in the affirmative.

[*Translation*]

There is, however, a more troubling aspect to this whole matter. It lingers and has a suffocating effect on fair exchange in this place. That is that once certain words are uttered, it is very difficult to retract them. The hon. member for Timiskaming referred in his comments the other day to the hurt that the remarks made in the Chamber had caused him, his family and his constituents and he pleaded that in fairness: "We should once and for all be able to clear such allegations and not allow them to happen".

[*English*]

In coming to a decision on this question of privilege, the Chair is somewhat consoled by the fact that an opportunity to clear the issue has taken place. Prevention is more difficult to address. When certain words are uttered in this place, they receive wide and instant dissemination. Quite frankly, they leave an impression. The words may later be retracted, the inferences or offence the occasion caused may be withdrawn, denied, explained away, or apologized for. However, the impression is not always as easily erased.

The Chair has on numerous occasions in the past urged hon. members to respect the conventions and traditions of this place and to conduct themselves with the civility becoming representatives of their constituents. That type of civilized conduct should encompass not only interventions in debate but also questioning, statements and even those types of comments usually attributed in the official *Debates* to: "some hon. members".

[*Translation*]

The Chair wishes to emphasize that a major element of this civilized conduct consist in refraining from personal attacks. There is good reason for this. First of all, in a general sense, respect for the person is the building block upon which our society is structured. Second, few things can more embitter the mood of the House than a series of personal attacks, for in their wake they leave a residue of animosity and unease.

[*English*]

Accordingly the prohibition against personal attacks in our Chamber is fundamental to maintaining order in this House. That is why my predecessors and I have so frequently in the past interrupted when personal attack seemed imminent.

However, while the Chair is granted many powers, it is not omniscient and cannot predict what course debate or questioning or interventions will take. Accordingly, in the final analysis the Chair must depend on the responsible attitude of each hon. member.

[*Translation*]

Statements are made here to attract attention: the attention of the House, the attention of one's constituents, the attention of the media and the public at large. It is simply disingenuous to pretend that members do not realize the potential impact of their words on the audience they reach.

[*English*]

The Chair can devise no strategy, however aggressive or interventionist, and can imagine no codification, however comprehensive or strict, that will as successfully protect the Canadian parliamentary traditions that we cherish as will each member's sense of justice and fair play. Especially at this time of crisis of confidence in our parliamentary institutions, our constituents deserve and will tolerate no less.

• (1510)

I should tell the hon. member I already have two points of order. I will get to the hon. member as soon as I can.

I think I will hear the hon. member for Winnipeg North Centre and will decide whether it is privilege or order. I will hear the hon. member.

* * *

POINTS OF ORDER

COMMENT DURING QUESTION PERIOD

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I am rising on an incident that occurred during Question Period, which I took to be very serious.

During the course of my asking a question on child poverty, the Prime Minister responded with very unparliamentary language. It was language that I would refuse to repeat to the House.

The Prime Minister was given notice during Question Period that this point of order was going to be raised. It is unfortunate that the Prime Minister could not have stayed and listened to your remarks on the last point of order.

Some hon. members: Oh, oh.

Mr. Speaker: I am asking for the assistance of all hon. members.

Hon. members have constantly breached the rules of this House this afternoon. It is impossible for the Chair to hear it all. I have asked the House to steady down. I am asking each hon. member to do so.

The hon. member will continue, and there is no need for editorializing today.

Mr. Walker: Mr. Speaker, I rise to ask that the Prime Minister withdraw his unparliamentary remarks as heard by this side during Question Period.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am not aware of what remarks the hon. member is talking about.

When we see the "blues", I am aware of—

An hon. member: It has nothing to do with the "blues".

Mr. Andre: Hon. members opposite are not allowing me to make my remarks, Mr. Speaker.

Mr. Axworthy (Winnipeg South Centre): You heard it too.

Mr. Speaker: An hon. member just said that this point has nothing to do with the "blues".

I probably will have to look at the "blues" before I can respond to the point the hon. member is making. In the meantime, the hon. member has put forward his question of privilege. It is not at all difficult to find what the exchange was.

The hon. government House leader is answering in response in the absence of the Prime Minister. I ask hon. members to hear the government House leader.

Mr. Andre: Mr. Speaker, I think your comments earlier in respect to another question of privilege were well taken. Perhaps we could all learn from them.

Indeed, there was a reaction to what was a very pejorative preamble to the hon. member's question. It was inaccurate and pejorative. That produced the kind of reaction that kind of pejorative accusation invites. That is why Beauchesne's suggests that they are out of order.

As I have indicated, I heard no such unparliamentary remarks on this side. I heard lots on that side.

Some hon. members: Oh, oh.

Mr. Speaker: The hon. member has raised, as a question of privilege—it may be a point of order; I have to look at it—his complaint about some comments that the Prime Minister made to him.

The hon. government House leader, in the absence of the Prime Minister, is responding. Other members may want to respond, and I hope it will not go on too long.

We could probably conclude the matter—I hope eventually satisfactorily—if all hon. members would just remember that the fundamental rule is that when a member is on his or her feet they are not to be interrupted unduly.

Mr. Andre: Mr. Speaker, as I was endeavouring to try to say, we will examine the "blues". I heard reaction to what I indicated earlier was a pejorative preamble to the question of the hon. member. That is the kind of thing that happens. I wish it would happen less in both the reaction and in the pejorative preambles.

We should all wish that it would happen less. Nevertheless, we will examine the "blues". I am sure that the Prime Minister, who has demonstrated many, many times in the past that he respects the rules of this House and the rulings of the Chair, will respond appropriately depending on what the "blues" say.

Mr. Speaker: I also have a point of privilege from the hon. member for Glengarry—Prescott—Russell.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, earlier this afternoon I gave notice to the Chair and the Prime Minister that I wished to raise this point.

I cannot repeat the words that were said but they were directed at either the member for Winnipeg North Centre or myself, or both, in which—

An hon. member: Twice.

Mr. Boudria: Twice. We were, and I will paraphrase, described as illegitimate sons. I will not use the words nor the prefix that was attached to it except to say that it starts with an *f* and it was not complimentary.

Both of those words were said. It is true. Members on this side of the House—

An hon. member: Fuddle-duddle.

Mr. Boudria: —certainly heard and saw it.

Mr. Speaker: I take it that, at least partially, the hon. member for Glengarry—Prescott—Russell is up on the same point as the hon. member for Winnipeg North Centre.

At this point I have the complaint. The hon. government House leader.

Mr. Andre: Mr. Speaker, I just want to make the point that we now have had two opportunities for the members on the opposite side to malign the Prime Minister, to suggest that he said things which I did not hear.

I would ask in fairness that the hon. members permit us to examine the "blues" before using code words and languages. It is a little bit objectionable that founding members of the rat pack would talk about behaviour.

Some hon. members: Oh, oh.

An hon. member: Merry Christmas.

Mr. Speaker: I do not need to hear anybody further on this point. I will examine it very carefully. The House has heard the undertaking of the government House leader.

The hon. member is rising.

I am afraid that I do not need much assistance now.

Mr. Nelson Riis (Kamloops): Mr. Speaker, on a point of order. I appreciate that you are not interested in further interventions. I know there will be many further interventions if you permit them.

However, Mr. Speaker, do you plan to come back to the House tomorrow with your observations, having read the "blues"? My concern is that, because of all these hon. members who heard or saw the sounds uttered by the Prime Minister, we continue this discussion tomorrow if they do not appear in the "blues".

Mr. Speaker: Given the calendar I will certainly try to come back to the House tomorrow.

The hon. member for Hamilton East.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would ask the Speaker to entertain the point of order from the member for Northumberland since notice was given. As the House leader for the government side has launched a number of accusations against members on this side who have raised this particular issue, I think it would be very pertinent to the record if the member for Northumberland could pursue her separate point of order.

Mr. Speaker: I am sorry, I just asked the hon. member for Northumberland if it was the same point and I think she indicated that it was. Is it the comment complained about?

Mrs. Stewart: Yes.

Mr. Speaker: I am going to exercise my discretion to close it off here.

I do so because if a number of people are going to get up and say exactly the same thing there is no end to it. We have the point, and I certainly have the point.

I think it is appropriate now to move on.

The hon. member for Calgary Northeast has been rising.

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I am appealing on a point of order to your wisdom.

As you know today is the 60th anniversary of the date when Canada ceased to be a colony and became fully independent. I wonder whether it is proper for this House to be sitting and debating things like who is insulting whom. Rather, we should recess and reconvene tomorrow.

• (1520)

Mr. Speaker: If the hon. member had put that suggestion about an hour ago we all would probably be a lot better off.

[*Translation*]

COMMENTS BY PRIME MINISTER—REQUEST AS TO WHETHER A RULING WILL BE MADE

Mr. Louis Plamondon (Richelieu): Mr. Speaker, several weeks ago, the Right Hon. Prime Minister, in referring to the parliamentary House Leader of the Bloc Quebecois, said that he was a hypocrite and insignifiant. I asked you twice whether those terms were parliamentary.

[*English*]

Mr. Speaker: I wonder if I could just save the House and the hon. member some time. I have that matter before me. I am going to try to deliver a ruling on it at the very first opportunity. I am seized with it, I know about it; and I have just about finished my deliberations. I will do the very best I can to respond. I do not need it argued twice.

[*Translation*]

Mr. Plamondon: Mr. Speaker, on a point of order. You are a hypocrite and insignifiant.

Some hon. members: Oh, oh.

[*English*]

PRINTING

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I rise on a point of order and I seek guidance from the Chair.

In October I had an article which I wanted to send to my constituents sent down to printing. Unfortunately I did not see what I was signing and I apparently signed that it was political. Therefore they could print it.

I wrote to you in October, Mr. Speaker, and this week I got an answer back. I asked for the bill for that printing, but I am even more annoyed because then I sent *Hansard* down to be printed and somebody in printing said: "No, it is political".

I would like to know from you, Mr. Speaker, what goes into *Hansard* that is so political that we cannot have it offset. What I wanted to offset that day was the Prime Minister's speech and my party leader's speech on the Constitution, and yet someone in printing said it was political.

I want the Chair to show me that somewhere in *Hansard* there is something not political and that is not why we are here.

The second point I want to make is that I would like to have the bill I asked for on October 3 so I can pay it, because I do not want to be seen by people as sending something considered political even if it is in *Hansard*.

Mr. Speaker: I shall do the very best I can to respond to the hon. member for South West Nova.

[*Translation*]

COMMENTS BY PRIME MINISTER—REQUEST AS TO WHETHER RULING WILL BE MADE

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I would like to know when you intend to respond to this point of order. You have been postponing a ruling on the kind of language used in the House for at least six weeks. Are the words "hypocrite" and "insignifiant" parliamentary, yes or no?

[*English*]

Mr. Speaker: I will give a ruling, but the hon. member will withdraw what he said about the Speaker.

[*Translation*]

Mr. Plamondon: I do not know whether what I said was parliamentary because you have not yet given your decision. But as soon as the Prime Minister withdraws, I will.

[*English*]

Mr. Speaker: I regret very much, but that is not good enough. The hon. member clearly hurled an insult straight at the Speaker. The hon. member's duty is to withdraw that. I will come back with the ruling. I am seized of it.

I am asking the hon. member to do his duty to this Chamber which, after all, is something that is an obligation to all of us.

[*Translation*]

Mr. Plamondon: Which terms does the Speaker want me to retract?

[*English*]

Mr. Speaker: I think the hon. member suggested that the Chair was a hypocrite.

[*Translation*]

Mr. Plamondon: I said that the Prime Minister—I was repeating what the Prime Minister said to the parliamentary House leader of the Bloc. I asked you whether, if I were to call you—

[*English*]

Mr. Speaker: First of all, I am seized with having to decide whether what the Prime Minister said in the context he said it was unparliamentary, and I will do that. I am telling the hon. member that what he just said to the Chair—forget that it is John Fraser; it is the Chair of this place—was unparliamentary. It is appropriate that the hon. member get up and courteously say: Mr. Speaker, if it was unparliamentary, I was excited or I was angry but I withdraw.

[*Translation*]

Mr. Plamondon: In the same context in which the Prime Minister said those words, I withdraw the terms I believe are unparliamentary, namely the words hypocrite and insignifiant. I used them in referring to you in order to get the Chair to apply the same decision to the Prime Minister. I therefore withdraw the terms hypocrite and insignifiant which I used in referring to you, Mr. Speaker.

Some hon. members: Hear, hear.

[*English*]

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, that is not good enough. That is not good enough for the Chair, nor for the occupant of the present chair, Mr. Fraser. The hon. member should withdraw his remarks unequivocally.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I would just like to make it clear that I share the views of the House leader of the Official Opposition. I think we are having some difficult times here. We are having some difficult times in terms of this institution and the respect the public has for it and has for us.

The hon. member made an allegation, used unparliamentary remarks toward the Chair, and if he has any modest remnant of concern for this institution I would ask that he withdraw unequivocally.

[*Translation*]

Mr. François Gérin (Mégantic—Compton—Stanstead): Mr. Speaker, perhaps we could avoid having a debate today and leave it until after Christmas, some time in February, until the first week we get back on February 3. We have waited almost a month and a half, and I think we can at least wait until after Christmas in order to avoid a parliamentary crisis on these issues. We are sovereigntists and we have a right to be sovereigntists here.

[*English*]

Mr. Speaker: I point out to the House that it would be very hard to dispute, if one looks at the statistics, that the hon. member and his colleagues have been treated by the Chair other than with almost antiseptic care to give them the benefit of every right that an hon. member has in this Chamber.

That does not mean that every member sitting where they are is always going to agree with the Chair any more than it means that members elsewhere are going to agree with the Chair. There is a fundamental to this place, and that is that as long as one is in it one has to respect the institution.

The hon. members have every right to free speech in this place. I am doing the very best I can to maintain that but what the hon. member just did was an attack on the Chair, an attack on the integrity of the Chair. I am asking the hon. member, because the hon. member knows the sense and the mood of the House, to make it quite clear that he regrets that and unequivocally withdraws it. Then we can get on with the other matter which the hon. member has a very proper and correct interest in.

[*Translation*]

Mr. Plamondon: Mr. Speaker, I made it clear at the end of my comments that I withdrew what I said about you, Mr. Speaker, and that I merely used those terms to provoke a decision by the Chair to make the Prime Minister withdraw as well. I do not think this is parliamentary language, and I most emphatically withdraw what I said. I hope the Prime Minister will do the same with what he said about the parliamentary House leader of the Bloc Quebecois.

[*English*]

Mr. Speaker: I thank the hon. member. That is I think clear enough for the House. I will do the very best I can to return on the other matter.

[*Translation*]

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, I listened to you and you say that you respect us. I must tell you that I do not feel very respected in this House. We do not have a research budget. We are not recognized as a party and then we are asked—

• (1530)

Mr. Speaker: Perhaps the hon. member has a complaint, but the Speaker does not have to make a decision. After all, we had a debate on this subject a few months ago.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

CERTIFICATE OF NOMINATION

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, a nomination which was recently made by the government.

Pursuant to the provisions of Standing Order 110(2), it is deemed referred to the Standing Committee on Energy, Mines and Resources.

* * *

LAW REFORM COMMISSION

ABORIGINAL PEOPLES AND CRIMINAL JUSTICE REPORT

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to section 18 of the Law Reform Commission Act and Standing Order 32(2), I am pleased to table, in both official languages, a report entitled *Aboriginal Peoples and Criminal Justice*, which I had requested from the commission under subsection 12(2) of the Law Reform Commission Act.

* * *

GOVERNMENT RESPONSE TO PETITIONS

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

[*Editor's Note: See today's Votes and Proceedings.*]

[*Translation*]

INDUSTRY, SCIENCE AND TECHNOLOGY, REGIONAL AND NORTHERN DEVELOPMENT

FIRST REPORT OF STANDING COMMITTEE

Mr. Guy Ricard (Laval–Ouest): Mr. Speaker, I have the honour to table in this House the first report of the Standing Committee on Industry, Science and Technology, Regional and Northern Development on the National Research Council's IRAP.

I would like to take this opportunity to thank all hon. members and staff who worked on this committee, often at very difficult times. I take the opportunity to thank them and wish them Merry Christmas and Happy New Year.

* * *

[*English*]

PUBLIC ACCOUNTS

FOURTH REPORT OF STANDING COMMITTEE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Committee on Public Accounts. This report deals with the accountability of CIDA, the Canadian International Development Agency.

Pursuant to Standing Order 109, this committee requests a government response to this report.

I will also give notice later this day that this report be debated and concurred in at the appropriate time.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

EMPLOYEE SHARE PURCHASE PLAN ACT

MEASURE TO ENACT

Mr. Steve Butland (Sault Ste. Marie) moved for leave to introduce Bill C–327, an act to assist employees to purchase a controlling shareholding in the corporation that employs them and to amend the Income Tax Act in consequence thereof.

Mr. Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Butland: Mr. Speaker, the purpose of this bill is to implement changes to the Income Tax Act to assist employees that wish to purchase the corporation that employs them by allowing these employees certain tax advantages specifically for this purpose. It will encourage co–operation among workers and allow them direct operation and control of their work environment.

I would strongly encourage all members to support this bill.

Mr. Speaker: Mr. Butland moves that the bill be now read a first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

WORLD SUMMIT FOR CHILDREN

IMPLEMENTATION OF PROMISES

Hon. David MacDonald (Rosedale): Mr. Speaker, seconded by the hon. member for Winnipeg South Centre and the member for Saskatoon—Clark's Crossing, I have a very important motion that has the support of more than I think two–thirds of members of this House on the implementation of a world summit for children and the promises thereto.

The motion reads as follows:

That this House take note that the first meeting of Heads of State and Government to address the problems afflicting children around the world, the World Summit for Children, was held at the United Nations on 29 and 30 September, 1990;

That this House take note that Canada was one of the instigators of the Summit;

That this House take note that the Prime Minister, the Right Honourable Brian Mulroney, was the co–chairperson of the Summit;

That this House take note that the promises made at the Summit have the potential of saving 50 million lives in this decade;

That this House take note that the 71 Heads of State and Government in attendance committed to develop programs of action by the end of 1991 and to make available the resources to implement the promises made at the Summit;

That this House take note that Canada must keep its leadership role in the fight for child survival if the promises are to be kept on a global scale;

That this House take note that UNICEF now estimates that, of the $20 billion per year in additional resources less developed countries will require to implement these promises, $7 billion will have to come as assistance from donor nations;

That this House take note that a majority of Members have publicly stated their support for the full implementation of the Summit promises.

That this House take note that on the anniversary of the Summit, in over one hundred cities in Canada, Canadians have urged their leaders to take the necessary action to see to it that the promises of the Summit are kept.

That this House support the Declaration and Plan of Action of the Summit and that both be declared an integral part of Canadian international co-operation policy; and

That this House support the full and speedy implementation of the major global commitments agreed to in the Declaration and Plan of Action issued by the world leaders, including domestic international co-operation strategies for child survival and development; and

That this House support adequate financial resources being made available for these purposes, including a contribution to the additional resources required from donor countries based on Canada's historical 5 per cent share of global foreign aid; and

That this House request that the government encourage multilateral institutions to focus their efforts on the implementation of the Summit promises; and

That this House request that the Minister responsible for the Summit follow up be invited to report to Parliament once a year on the implementation of the World Summit Plan of Action and the Convention on the Rights of the Child to the extent that the application of the Plan and the Convention, at the national, regional and international levels, requires action or a contribution on the part of Canada; and

As we know this was ratified just a few minutes ago here in the rotunda of the Parliament Buildings by the Prime Minister. It continues:

That this House encourage Parliamentarians around the world to ensure that each country provides its fair share of the additional resources required to see that the promises of the World Summit for Children become reality.

I apologize for the length of the motion. I would also like to say that the member for Saskatoon—Clark's Crossing who assisted the member for Winnipeg South Centre and myself in getting wide-scale support for this is not available today. I do know that the other two members would like to speak very briefly in support and in seconding this motion.

Mr. Speaker: We have a prior situation here.

[*Translation*]

The hon. member for Rosedale asks the House for leave to move a motion. Under the circumstances, unanimous consent is required. Do we have the agreement of the House?

Some hon. members: Agreed.

[*English*]

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I rise on behalf of members of my own caucus who participated in endorsing this resolution to join with the hon. member for Rosedale and the member for Saskatoon—Clark's Crossing. We speak for all members of Parliament and we hope through all members we speak for all Canadians who dearly hope that the resolution we are putting forward today represents a major step forward in dealing with the problem of children.

When I was walking to the Hill this morning I saw a sign in a store window which said: "We did not inherit the earth from our ancestors; we are borrowing it from our children". I thought that was an appropriate way to put the meaning and spirit of this resolution. I must say with some regret that while we may be borrowing from our children we have not been very good in repaying our debts. We have not been particularly good stewards of that very important trust we have held.

I would like to say that there was a certain amount of tragic coincidence that at the same time the summit for children was being debated at the United Nations, the whole decision to go into the war in the gulf was also being debated just down the hall. Those were two parallel statements.

• (1540)

I only want to draw the attention of the House to the figures that were released today that the war itself cost something over $80 billion. Canada contributed $690 million of that. Yet at the same time when it comes to finding additional money to deal with the problem of glue sniffing on Indian reserves, to deal with the problem of inoculations for diphtheria around the world, we are not able to find those extra funds.

It simply shows one important fact, that while children are important they are also powerless. They do not have the means to make the kind of pressure on governments to take decisions on their behalf. It is, therefore, a challenge for all of us to try to put some power into their hands. That is why the ratification of the covenant is so important, because it does set a brand new standard by which all governments will now be answerable for their commitments. It will set a new standard by which we will all be responsible for making that kind of requirement.

It would be my hope that perhaps as we go through the next few months in discussion on constitutional change, it might be worth considering whether the word children and our responsibilities to them should also be incorporated as part of our constitutional commitments.

I would just like to close with something which I think may be the most appropriate word. It comes not from me but from a child, a young woman who is in grade seven in St. Mary's Academy in my riding. Last year when I sponsored an essay contest she sent in this essay which I think summarizes what the meaning of all this is. She says:

Dear World Leaders:

As I watch television and read the newspapers there is one thing that is always shown, children—not happy children being hugged but dead children, starving children, sick children or frightened children. Another subject that is always seen is some story about world leaders preparing for war, world leaders discussing pollution in the environment, blaming each other and coming up with very few solutions.

The leaders also seem to use the future of children as an excuse to do what they are doing. Well, listen to me, please. I am a child and I want you to really listen to me. I don't want you to talk to me about my rights. I want you to recognize that children did not choose to be born. They did not choose their country of origin or their circumstances. They did not choose to be victims. I would like the world leaders to use their power, their resources and their intelligence to provide a caring and loving world for children. If everyone stopped being so busy worrying about who has the most money, the most natural resources and the biggest guns they would help everyone.

Let's all try to see who can have the least homeless, the least child abuse, the least illiteracy, the least pollution and the most compassion.

If you really believe that we are the future, if you really believe that we deserve basic human rights, then show us. Next time you stand before the cameras of the world and talk about how important we are as part of the future, show us. We want to believe you but please show us.

I think the words of this 11-year-old summarize most adequately and most eloquently what we all have to do in this House as we sign this covenant on human rights.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I would just like to add some brief comments on behalf of the New Democratic Party.

I would like first to thank the member for Rosedale for bringing forward this motion. I know he is passionately committed to the issue of children in both the Third World and in Canada who are suffering from deprivation, from hunger, from the effects of war and being left out of the processes that make the decisions which affect their lives. I would like also to thank the member for Winnipeg South Centre for his participation and my own colleague, the member for Saskatoon—Humboldt, who I know was involved in the process of bringing this issue to the House.

I would also like to take the opportunity of commending the Prime Minister for his involvement in the UN convention where he played an instrumental role, and I think it is clear from his comments that he also passionately feels for the needs of children who are suffering in Canada.

We can all look to different ways of resolving that problem, the problems both of children in Canada and in the developing countries. But I think it is worth noting and it is important to note that the Prime Minister also is committed passionately to that issue.

I think now what we do is wait for the government's actions. As soon as the government brings forward measures which will indeed implement the terms of the UN declaration, increase Canada's contribution to the solution of the problems in developing countries and provide extra resources to deal with the chronic and terrible problem of child hunger in Canada, then we on this side of the House will be fully supportive and assist in the passage of those initiatives.

We look forward to those initiatives. I do not feel particularly confident that those initiatives will be forthcoming, but I hope so. I can assure the House of the full support of the New Democratic Party should they come forward.

[*Translation*]

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

Mrs. Venne: Mr. Speaker, I would have liked to speak. The Bloc Quebecois also gives its consent, out of generosity and for the children of the world, not because of the way we are treated in this House.

[*English*]

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

Some hon. members: Agreed.

Mr. Speaker: So ordered.

Motion agreed to.

* * *

NATIONAL HOCKEY LEAGUE

75TH ANNIVERSARY

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, with unanimous consent on behalf of all parties in this House, I move:

That this House take note that the 1991-92 season marks the 75th anniversary of the National Hockey League; and

That this House take note of the longstanding role of hockey in Canada's culture, heritage and pride; and

That this House, in the 125th year of our country's existence, recognize January 1992 as National Hockey League month in Canada.

Mr. Speaker: Again it is a matter of consent of the House. Is there consent?

Some hon. members: No.

Mr. Speaker: The hon. member does not have consent to proceed.

* * *

GREECE

2,500TH ANNIVERSARY

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I trust that you will find unanimous consent for this motion. I move:

That the House of Commons of Canada convey its congratulations to the parliament, government and people of Greece, and the municipal government and people of Athens on the occasion of the 2,500th anniversary of the establishment of democracy in the city of Athens; and

That the hon. Speaker convey the text of this motion to the President of the Hellenic National Assembly.

[*Translation*]

Mr. Speaker: Once again, do we have the agreement of the House?

Mr. Gérin: I would like you to advise me on procedure, Mr. Speaker. By giving our consent to have this or any other motion presented, do we have the right to speak on that motion later?

[*English*]

Mr. Speaker: The parliamentary secretary has been asking for consent. He is asking only to waive notice of the motion.

[*Translation*]

If that is waived, the hon. member for Mégantic—Compton—Stanstead is fully entitled to participate in the debate on the substance of the motion.

The first question is: Do we have the unanimous consent of the House?

Some hon. members: Agreed.

Some hon. members: No.

[*English*]

Mr. Cooper: Mr. Speaker, under the circumstances with the games that the Bloc wants to continue to play to disrupt this House, I want to withdraw my motion and not in any way embarrass the people of Athens or Greece.

[*Translation*]

Mr. Rocheleau: Mr. Speaker, I do not accept the comments made by the deputy leader of the opposition. It is not a question of blocking. My colleague from Mégantic—Compton—Stanstead asked the Speaker for some information and you gave it to us. We are not out to block that motion. It is simply a matter of finding out whether we can comment on a motion.

• (1550)

[*English*]

Mr. Riis: Mr. Speaker, my understanding of the rules is certainly not perfect but is a single member able to withdraw a motion once it has been put? Does it not require unanimous consent?

Mr. Speaker: The motion itself has not been proposed yet. All that is happening now is whether there is consent for the hon. parliamentary secretary to propose the motion.

Other hon. members have asked the question. The hon. member for Mégantic—Compton—Stanstead and the hon. member for Hull—Aylmer have raised the point of what the procedure is.

[*Translation*]

What is the procedure in the circumstances? I gave my response, and I assume hon. members are satisfied.

Furthermore, we now have a situation where the hon. member for Hull—Aylmer made a statement in which he, together with several other members, supported the motion.

[*English*]

Under the circumstances perhaps the hon. parliamentary secretary would want to put the motion again but I am questioning the hon. parliamentary secretary's handling.

Mr. Cooper: Mr. Speaker, I want to make it very clear that I do not want to have this situation brought before the House in such a way as it may cause a debate that I think may call a number of the concerns of members into some sort of game playing situation.

I think it is pretty clear to the House what the Bloc Quebecois is trying to do and I do not want to play its game.

Mr. Speaker: The hon. member does not want to proceed and as a consequence that is the end of the issue, at least for today.

* * *

PETITIONS

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is a delight to present a petition on behalf of a number of residents of Kamloops, British Columbia, who are asking the government to ensure that the Royal Canadian Mounted Police receives adequate funding at a time when its mandate needs to be fulfilled more than ever before and there may be some question of reduction in federal support.

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I cannot refer to the actual size of this petition but from the area of greater Kamloops there are literally thousands of names on this petition opposing the goods and services tax.

The petitioners point out that the tax is actually destroying the local economy and is one of the major factors in the increase in bankruptcies over the last little while. They are simply asking the government to please come to its senses and withdraw this nasty tax.

Mr. McDermid: Did you ask them what they wanted it replaced with?

Mr. Riis: They want it replaced with a minimum corporate tax and they also wanted an inheritance tax for people who inherit millions of dollars, a wealth tax. They would have to pay some taxes on that.

There are others such as closing some of the major corporate loopholes.

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a petition signed by a number of people from central British Columbia opposing the announced decision of a Vancouver firm in a joint venture with a California firm.

They plan to dam the North Thompson River at Valemount, British Columbia in an effort to divert some of the water into the San Diego, California area. The petitioners are simply asking the Canadian government to state that it will not allow this to proceed.

NARCOTICS CONTROL ACT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in this petition people in my riding of Davenport and several neighbouring ridings are calling upon Parliament to urge the government to revise the Narcotics Control Act so that assets and cash seized as a result of a conviction are shared fairly and equitably with local police forces and community organizations in their continuous efforts to reduce drug abuse.

This petition is submitted by the deeply felt desire to come to grips with the question of drug abuse and the way it is ruining the lives of our youth.

AGRICULTURE

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, it is a pleasure to present a petition today on behalf of residents of southeastern Ontario, perhaps more than just from my own riding.

It is petitioning the government to dig in on the issue of article XI of GATT, not only keep it but to strengthen it.

The fascinating thing about this petition is that it is signed by hardware merchants, insurance salesmen, farm implement dealers and grain distributor dealers who are all affected if we do not have stability in the agricultural industry. We do not have it out west right now. We would like to keep some stability in the agricultural industry.

Mr. Speaker: I remind hon. members that under the new rules we only have so many minutes to present petitions. In any event, speeches are not supposed to be made. I know that hon. members would want to co–operate with their colleagues and not take up too much time in the presentation of petitions.

JUSTICE

Mr. Bill Domm (Peterborough): Mr. Speaker, I would like to present this petition to the House, that the undersigned residents of Canada, in support of the parents of Nina de Villiers, request that Parliament recognize that crimes of violence against the person are serious and abhorrent to society and amend the Criminal Code of Canada, the Bail Reform Act of 1972 and the Parole Act accordingly.

CANADA POST

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present a petition on behalf of hundreds of residents of Winnipeg, Manitoba. In their petition the undersigned residents of Canada avail themselves of their ancient undoubted right to present a grievance common to the petitioners and ask that the House provide a remedy for that.

In their petition they point out that the community around Empire Drugs consists of many seniors and lower income families relying heavily on the near–by services, including the complete range of services provided by the local pharmacy. Therefore, the undersigned petitioners humbly pray and call upon Parliament to do all it can within its mandate to gain reconsideration of the decision of Canada Post Corporation to discontinue postal services at this location.

GASOLINE PRICES

Mr. Jean–Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the honour to present a petition from constituents and residents of the riding of Ottawa—Vanier dealing with the gasoline prices that are significantly higher in the Ottawa area than those in southern Ontario.

The petitioners say that such price disparity discriminates against the Ottawa area consumers, and to that effect they would like to call upon Parliament to urge the federal government to correct this injustice to Ottawa area motorists.

ADOPTIVE PARENTS

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I have two petitions. The first petition is primarily taken up by one individual in my community of Sault Ste. Marie, Jennifer Smart. The petition addresses the discriminatory practice as put into effect by this government against adoptive parents.

The operative clause is: "The government has failed to treat equally adoptive families who are a minority group in Canadian society and who are often unable to voice their concerns and fight for their rights due to concerns regarding confidentiality and discrimination toward their families". This is signed by 150 interested adoptive parents in my community.

CROATIA

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, the second petition was passed to me by the member for Victoria and it gives me great honour and privilege to present it.

This petition addresses the frustration and helplessness that all Canadians feel with the events in Croatia and especially the actions of the Yugoslavian army which must be condemned.

The least we must do, and thousands of Ontarians are suggesting this, is recognize Croatia as an independent and sovereign democratic nation as 94 per cent of the people in Croatia have stated.

IMMIGRATION

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I have the honour to present another petition from residents in my riding and others across the Toronto region requesting that the minister of immigration issue minister's permits for spouses and dependent children of persons who have been determined to be convention refugees and allow them to be reunited in Canada for inland processing.

If this policy were in effect, families like that of Lilliana Petrescu, a Romanian refugee who claimed refugee status in October of 1987 and who has a three and a half year old son who has never seen his father and a daughter who is 15 years old now in Romania and a husband, could have been reunited in July 1991 when she finally got refugee status. It could be another two years.

During this holiday season let us remember these families that are suffering—

Mr. Speaker: I am awfully sorry. The matter is terribly important but members cannot make speeches or the rest of the House is not going to be heard.

• (1600)

UKRAINE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have two sets of petitions. One contains the names of numerous petitioners from various parts of my riding who call upon the Government of Canada to give genuine support to the people of Ukraine by officially recognizing Ukraine's independence and establishing full diplomatic relations with the government and people of Ukraine immediately, following a positive confirmation vote in the referendum on December 1.

AGRICULTURE

Mr. Vic Althouse (Mackenzie): The second petition is from petitioners from across Canada but mainly in southern Ontario, calling on the government to support the House of Commons Standing Committee on Agriculture which passed a motion asking that the third line of defence payment be provided to give cash assistance on an emergency basis so as to provide the same net level of support on an acreage basis that would have been provided under the Gross Revenue Insurance Program and the Net Income Stabilization Account had they been in effect for the last crop year.

CROATIA

Mr. Al Horning (Okanagan Centre): Mr. Speaker, pursuant to Standing Order 36 I wish to present a petition signed by approximately 2,200 residents of my riding of Okanagan Centre.

The petition reads that whereas Croatia instituted a democratic government in a multi-party election conducted in April 1990; whereas 94 per cent of the population of Croatia voted for independence; whereas communism fuelled the Yugoslav army backed Serbian terrorists as it continues its brutal attack on thousands of unarmed Croatian civilians, women and children; whereas Croatians like all other people are entitled to freedom democracy and the right to self-determination; and whereas Canada has an international reputation as a moral authority and as such can initiate the democratic process without compromising world peace, the undersigned petitioners humbly pray and call upon Parliament to take the initiative of officially recognizing Croatia as an independent and sovereign democratic nation.

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I have a petition signed by 245 petitioners who ask the Canadian government to condemn the actions of the Yugoslav army in Croatia and to recognize Croatia as an independent nation.

I hope it is going to happen soon, as I support them.

GASOLINE PRICES

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I have a petition signed by residents from Nepean, Ottawa and Kanata. These people are calling on the government to take action in order to end the disparity when it comes to gasoline prices in the Ottawa region.

They believe they are unfairly treated in this region.

THE ECONOMY

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I rise to present a similar petition signed by numerous residents of the Ottawa Valley, particularly Petawawa, Mackey and Pembroke. These petitioners complain about high prices in the Ottawa region, and I can say that the same would apply for the Kingston region, or it did until very recently when prices took a plunge in my own riding. I am delighted since it shows the injustice of the prices in this area. The petition urges the government to bring an end to this injustice by introducing some legislation that will stop pernicious price gouging.

Routine Proceedings

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the following questions will be answered today: Nos. 159 and 188.

[*Text*]

Question No. 159—**Mr. Harvard:**

What was the total cost of the military participation in the gulf war?

Hon. Marcel Masse (Minister of National Defence): $690 million, spread over two fiscal years (1990/91 and 1991/92).

Question No. 188—**Mr. Turner (Halton—Peel):**

For the period of November 5, 1991 to December 4, 1991, what has been the (a) total cost (b) cost per question (c) cost for this question, to the government for answering Order Paper Questions?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons):

(a) & (b) **Questions answered during the period of November 5, 1991 to December 4, 1991:**

Question No.	Approximate Cost	Question No.	Approximate Cost
29	$ 145	130	$ 42
55	110	131	108
74	85	132	45
80	2,100	139	330
104	87	140	30
109	436	141	310
112	180	153	25
117	210	157	38
128	30	161	38
129	59	—	—

TOTAL COST $4,408

[*English*]

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

Mr. Cooper: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, would you be so kind as to call Notice of Motion for the Production of Papers No. P–7 in the name of the hon. member for St. Boniface.

P–7—Mr. Duhamel—September 16, 1991

That an Order of the House do issue for copies of all documents relating to the RCMP investigation of the TIEM Canada franchise firm.

Mr. Cooper: The information that is being requested was obtained and prepared by the RCMP in the course of a lawful investigation pertaining to the detection, prevention or suppression of crime. The release of this information would have the effect of disclosing investigative techniques and of revealing the identity of a confidential source of information or revealing information that was prepared in the course of an investigation.

Therefore, in accordance with section 16(1)(a)(i) of the Access to Information Act, the RCMP is not in a position to disclose any of the records of TIEM Canada in its possession. Therefore, I ask the hon. member to withdraw his motion.

Some hon. members: Transfer it for debate.

Mr. Speaker: Transferred for debate.

Mr. Cooper: Mr. Speaker, I ask that the remaining Notices of Motions for the Production of Papers be allowed to stand.

Mr. Riis: On a point of order, Mr. Speaker, directed to my hon. friend the parliamentary secretary to the government House leader.

Standing Order 39(5) states:

A Member may request that the Ministry respond to a specific question within forty–five days by so indicating when filing his or her question.

Mr. Speaker, I seek some direction from you or perhaps my hon. friend. Some of the questions on the list, including some of my own and many others, date back to May and June of this year. In other words, far beyond the 45 days the Standing Order requires for responding. These are not tricky questions.

For example, one asks: "For each fiscal year since 1984 what has been the total hospital expenses incurred by each deputy minister?" That is just a matter of punching a key on a computer and receiving that answer.

I have a solution. If my hon. friend finds that he cannot answer all of these questions tomorrow, which probably will be difficult and I respect that, would he consider that the responses could be tabled with the Clerk as they become available during the adjournment as opposed to simply sitting idle until the early part of February?

Mr. Cooper: Mr. Speaker, I want to say to the hon. member that I agree with him that a number of these questions are long overdue. I want to tell him and other members of this House that I am pushing as hard as I can. My desire was that I would be able to answer all of the questions prior to the House rising tomorrow.

Should I fail to do so, I would like to take the hon. member's representation in hand, because it sounds like a very reasonable solution to me. I would certainly want to ponder on it and get back to him tomorrow, if that is all right with the hon. member.

Mr. Riis: I appreciate my hon. friend's comments. It is worth the study. Perhaps we could make further clarification tomorrow if he can proceed along these lines.

Mr. Speaker: Before we get to Orders of the Day I want to advise the House that in view of the fact that we are adjourning tomorrow there will be the usual hospitality by the Speaker for all hon. members. This is traditionally held across the hall. After today, I was wondering whether we should have three or four different rooms for it.

I insist on maintaining tradition and I would invite all hon. members to join with me from four o'clock on, if we are adjourned by then.

GOVERNMENT ORDERS

[*English*]

TELESAT CANADA REORGANIZATION AND DIVESTITURE ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-38, an act to provide for the continuance of Telesat Canada under the Canada Business Corporations Act and for the disposal of the shares therein of Her Majesty in right of Canada, as reported (with amendments) from Legislative Committee E.

* * *

SPEAKER'S RULING

Mr. Speaker: I am now giving the ruling on certain motions in amendment. There are seven motions in amendment in report stage to Bill C-38, an act to provide for the continuance of Telesat Canada under the Canada Business Corporations Act and for the disposal of the shares therein of Her Majesty in right of Canada.

[*Translation*]

Motion No. 1, standing in the name of the hon. member for Scarborough—Rouge River, will be debated and voted on separately.

Motion No. 2, standing in the name of the hon. member for Okanagan—Shuswap, will be debated and voted on separately.

Motion No. 3, standing in the name of the hon. member for Scarborough—Rouge River, will not be selected because it is identical to Motion No. 2.

[*English*]

Motion No. 4, standing in the name of the hon. member for Okanagan—Shuswap, will not be selected pursuant to Standing Order 76(5), in that it was moved, debated and negatived in committee.

Motion No. 5, standing in the name of the hon. member for Scarborough—Rouge River, and Motion No. 6, standing in the name of the hon. member for Okanagan—Shuswap, are out of order. These two motions go beyond the scope of the bill in that they introduce a new element which was not envisaged at second reading.

• (1610)

I refer hon. members to citation 698(1) of Beauchesne's sixth edition on page 207.

[*Translation*]

Motion No. 5A, standing in the name of the hon. member for Mount Royal, will be debated and voted on separately.

[*English*]

For the convenience of the House I will recapitulate. Motions Nos. 3, 4, 5 and 6 will not be selected. Motion No. 1 will be debated and voted on separately. Motion No. 2 will be debated and voted on separately. Motion No. 5A will be debated and voted on separately.

Mr. McDermid: Mr. Speaker, we expected a lot more debating time on this than we have this afternoon. I have not conferred with any of the parties on this idea, because I just thought of it now, to be quite honest. We are debating three amendment in total.

I wonder if we could get unanimous consent of the House to debate them all together rather than separately. We will vote on them separately, of course. If we could get unanimous consent it would make it much easier for everyone concerned.

We may find that debate on one amendment takes too long and we will not get to the other two.

Mr. Gauthier: Mr. Speaker, I think the proposal makes sense. Some of us indeed would like to participate in this debate and no one should be allowed to speak more than once on the combined debates of the three motions before the House.

If that is acceptable, I think on this side, having spoken to some of my colleagues—

The Acting Speaker (Mr. Paproski): Members have heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

An hon. member: No.

[*Translation*]

Mr. Plamondon: Unfortunately we have no researcher to do the research we need on this bill, and since we lack the necessary information we cannot give our consent.

[*English*]

MEASURE TO AMEND

Mr. Derek Lee (Scarborough—Rouge River) moved:

Motion No. 1.

That Bill C-38 be amended in Clause 5

(a) by striking out lines 5 to 7 at page 3 and substituting the following therefor:

"5.(1) Subject to subsections (1.1) and (1.2), the Minister, on such terms and conditions as the Governor in Council may approve, may";

(b) by adding immediately after line 13 at page 3 the following:

"(1.1) The Minister shall not sell or otherwise dispose of shares transferred to the Minister by section 4 unless the buyer of such shares undertakes in writing

(a) to buy, at the same price as the price paid by the buyer for shares sold by the Minister, that proportion of
(i) such number of shares of Telesat as are offered for sale by minority shareholders of Telesat one year after the day the shares of Telesat are offered for sale by the Minister that
(ii) the number of shares bought by the buyer
is of
(iii) the total number of shares offered for sale by the Minister, and

(b) to pay the purchase price of shares of minority shareholders of Telesat referred to in paragraph (a) not later than six months after the day such shares are offered for sale.

(1.2) For the purposes of subsection (1.1), "minority shareholder of Telesat" means any shareholder of Telesat, except the Minister and members of Telecom Canada, who holds less than three per cent of the shares of Telesat."

He said: Mr. Speaker, I am pleased to finally get the debate rolling here. I am very disappointed in the attitude of the hon. member for Richelieu who has declined to facilitate debate among other members.

In any event, now that we have to deal with this one proposed amendment, I want to be very practical about this and indicate that there are two other amendments the House will want to debate in the next 45 minutes or so.

This particular amendment, Motion No. 1, addresses the situation of the minority shareholders of Telesat. During the committee hearings and the discussions that went on outside committee concerning this bill it was brought to the attention of members, and discussed publicly, that there are a number of minority shareholders in Telesat who are being locked in as a result of the way this bill has been constructed by the government.

There are quite a few minority shareholders. This particular amendment addresses the circumstances of those minority shareholders who have less than 3 per cent of the outstanding shares.

The reason I feel their situation should be addressed is because since the inception of Telesat the government has been the honest broker shareholder and has been the dominant shareholder. These minority shareholders have continued along relatively quietly with the government basically controlling the shareholder interest and the over-all direction of the board of directors and of Telesat.

While the government is now divesting itself and disposing of its shares it is basically saying: "I am all right, Jack, you minority shareholders, we are going to continue the freeze on your ability to dispose of your shares at this time while we fish around for the best price. You guys have got to all wait until we have sold our public shareholdings".

That has been seen by some of these minority shareholders to be unfair.

This particular amendment addresses that issue and insists that the ultimate purchaser in the open bidding process acquire the shares of the minority shareholders who wish to sell out at the same time.

It is the best we can do. We are not going to make a silk purse out of a sow's ear. I am hopeful the government will accept this amendment. I do not think there are a lot of minority shareholders within the shareholder agreement of Telecom, which is an umbrella group within the shareholder group.

Since the hon. member for Richelieu and his colleagues have, in a manner which is quite discourteous and disrespectful of what the House is trying to accomplish this afternoon, refused to go along with the suggestion of my colleague across the floor, the minister, I want to make a brief mention of two other related elements. They involve the other amendments, Motion No. 3 and Motion No. 5A. Motion No. 3 deals with the issue of what the government will do with the proceeds of this sale. In the press release that informed the public of what it would do the government said: "The net proceeds from the sale of the government's shares will go to the debt servicing and reduction account".

Fair enough. That is what the government has told us in a couple of budgets. In this bill the government has finessed that position and now says that it will only transfer to the debt reduction fund the proceeds of this sale in excess of the book value. The book value is approximately $40 million. We estimate the value of the government's equity at about $140 million. Just speaking in round numbers, I see that the minister is saying that price is a little high and will disappoint us with the sale price.

Speaking purely hypothetically, if the value of the government's shares were $40 million and if the value of the equity were $140 million, the government is saying that it will only transfer to the debt reduction fund the $100 million. It will keep the $40 million in its pocket.

This has been discussed. I have heard accounting explanations. I have given up trying to figure out what the accountants are saying. I believe it is just so much mumbo-jumbo. It is a shell game. When all is said and done if we follow the procedures set out in this bill, the government is still going to have $40 million in its pocket. I want to see, my colleagues want to see, and members of the House want to see the government follow through on its commitment to take all of the sale proceeds, the whole net sale proceeds from the sale of this corporation and apply them to the debt reduction fund.

I will close and give an opportunity to other members to discuss this motion and the other related motions.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I appreciate the opportunity to speak on these particular amendments. I want to reflect my concern as my colleague for Scarborough—Rouge River already has. I had mentioned earlier that certain members of this House wanted to forestall, frustrate and confound the proceedings. They have essentially attempted to throw a monkey wrench in the works. I think it is unfortunate in light of the importance of this bill that they have attempted to do so.

The first amendment moved by my Liberal colleague has some good points, although it would generally precipitate a lowering of the price of the shares that may be offered for the purchase of Telesat.

• (1620)

The bidder will essentially have to look at the possibility of actually buying more shares than the 53 per cent share block that has been offered. I think his case makes eminent sense when you look at it in terms of fair play.

The fact is that the minority shareholders do not have the opportunity to disperse their share ownership: they are essentially locked into it. I think that this particular provision would provide that opportunity for them should they wish to exercise that right.

Really, the government should not be playing by any special rules in the liquidation of the shares. I think out of a sense of fair play to the other shareholders in this particular venture that this particular amendment should be supported.

The second amendment seems to have been duplicated by my Liberal colleague and myself. I was of the understanding that he was not proceeding with this but seeing both of them in there essentially reinforces the importance of this particular amendment.

Essentially the money that will be recovered from the sale of the shares of Telesat will not all be used under the current legislation to reduce the outstanding federal debt that is owed by the Crown.

We have placed this amendment in hopes that we can convince the government to utilize completely the moneys that will be returned through the sale of these assets and to place these moneys into the debt servicing reduction fund in order to help buy down the heavy federal deficit that we face.

Canadians contributed some $30 million to Telesat initially. That $30 million, if you looked at it in today's terms, would be about $120 million. As well, the taxpayers of Canada, through the government, have lent Telesat some $40 million in the early 1970s to get the company up and running.

After all of this support to Telesat the time has come, according to this government, to sell off these assets. We are saying that is fine if that is the decision that is taken. f this bill in fact does pass, then let us utilize those assets rather than maintain the original assets and place those assets into consolidated revenues.

Let us use that money to buy down the federal debt which I think the public in Canada would favour. It wants to see the deficit reduced. Liquidation of these assets as we have suggested through this amendment would better be accommodated by using all of the revenues that are returned to the Crown to help buy down the federal debt.

I just want to move briefly on to the third amendment. We have to recognize the foresight of my colleague for Mount Royal in placing this amendment before us. She has picked up on a real flaw in the legislation.

Any future sale of Telesat is to be approved by the CRTC, but the government's sale of Telesat which this particular legislation pertains to, is not going to be under the scrutiny of the CRTC, at least in the initial phases.

This amendment, I think, will correct that weakness in the legislation. It would ensure that the CRTC would in fact examine the sale of Telesat and the government's liquidation of its interest in Telesat to ensure that it really was in the interest of the public.

While this amendment might slow down the sale of Telesat, I think the public interest would indeed be served by having a full examination of the ramifications of this particular sale through the oversight of the CRTC to ensure that the interests of Canada and the interests of Canada's telecommunications industry are in fact fully recognized.

In that regard, may I just summarize by saying that the three amendments before the House at this time are good amendments. They are amendments that will move a considerable way in strengthening this piece of legislation before us today.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise to speak on yet another privatization initiative of this government. Telesat Canada happens to be in my riding of Ottawa—Vanier. I want to speak on the amendment put by my colleague, the hon. member for Scarborough—Rouge River. This is an amendment which I feel would be appropriate at this time since the purpose of the bill, as I read it and as we understand it, would not protect the minority shareholders who would be locked in till the majority shareholder has been satisfied. I find that difficult because we all know that

there is an important minority in that company who are employees. One per cent of the shares of Telesat are held by 877 employees. Of these 672 are located at the head office and the remainder in regional offices.

The purpose of this amendment is to protect the minority shareholders and indeed to protect the employees who have shares in this company. Five hundred of those 877 employees are some of the best mathematicians in the world.

Mr. Baker: Hear, hear.

Mr. Gauthier: Some of them are the best physicists in the world. These are people who are hardworking and who have proven to the world their ability to compete with anybody in the world. I am pretty proud that in my riding of Ottawa—Vanier Telesat Canada is something of which we can boast because indeed it was the first to put a commercial communications satellite up there. It was an example for all the world. It was a respected and I would dare say exceptional endeavour on the part of these people.

They also put the second one up. We all know they had some problems opening the antenna but they have corrected that and it is now operative. We are indeed very much behind this group of scientists who are presently making the telecommunications and communications network of the world something of great importance to Canada.

I will not have time to get to that amendment but I want to address the question of the location of Telesat. The bill that we have before us does not give protection to the employees in terms of giving them an ironclad guarantee that Telesat will remain in the national capital region. It only addresses the question as one of possibly negotiating or maybe making it a condition of sale to the eventual buyer. I want to quote from the government's own press release. I hear the minister making noises over there. The government's press release states:

> Bidders for the government's Telesat shares will need to state their intentions concerning the maintenance of Telesat headquarters and operations in the National Capital Region.

Why will this government not provide an ironclad guarantee to the 672 employees at Telesat's head office here in Ottawa that their jobs will remain in Ottawa? Why will it not incorporate this simple requirement into the legislation? It did not do it.

Perhaps we should not be surprised because it does not care for Public Service employees very much over there. It slashed them when it could and cut their salaries whenever possible. It even provoked them to go out on strike not very long ago, one of the hardest strikes we have had. This government has no employee-employer relations of any kind. We are just asking it to be sensitive to two things: first, that the families of these employees will have some kind of stability and, second, that their investment as minority shareholders will be protected. One per cent of all the shares held by Telesat are owned by their own employees.

I do not want to take any more time but I just ask the government to be understanding of the difficulties that people have in their careers and to be understanding of the fact that we have to make it a requirement that at least the head office of Telesat remains in the national capital region. I am very proud of the fact that they are in my riding. It happens to be something which we care for. I say to the government that it should take seriously this amendment before us, Motion No. 1 standing in the name of the hon. member for Scarborough—Rouge River that says minority shareholders should be protected also.

• (1630)

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I was listening to the member for Ottawa—Vanier. Over the years the member for Ottawa—Vanier and some other members on this side of the House have taken great pride in the fact, as the hon. member said, that we have some 500 scientists, mostly mathematicians, who work at mission control in Gloucester close to Ottawa. They put up, as the hon. member for Ottawa—Vanier said, the first commercial communications satellite in the world. It was not the United States. It was not France. It was not Germany. It was not Britain. It was Canada in 1970.

The hon. member for Ottawa—Vanier and I have conversed on many occasions as Telesat Canada put up its second one, its third one, its fourth one. To make reference to the minority shareholders, as he did, is the least the Government of Canada can do.

As the hon. member noted when the Anik-E II satellite was put into outer space and did not work, there was a $300 million debt created of which $260 million was insured.

Mission control for that satellite is close by here in the riding of the hon. member for Ottawa—Vanier. In the middle of the night they met at mission control. They had received permission from the insurance company to take that satellite and put it into a spin in outer space to try to open that one antenna to try to save $300 million.

In the meantime the federal cabinet had met in session on a request from the company which said it was in dire straits. It owed $300 million. It was about to lose. The federal cabinet met and passed a very interesting Order in Council.

It was an order for the CRTC to take into account the risky business of putting up satellites, the incredible cost involved, the fact that the company was about to lose $60 million. It was a $300 million venture and only $240 million was insured. The federal cabinet made an order to the CRTC to re-examine the cost structure of Telesat and to put it on a firm financial footing because of these debts and the ups and downs in the satellite business.

As the hon. member for Ottawa—Vanier just pointed out, at two o'clock in the morning some of the world's most respected physicists and mathematicians here in Canada met and spun that satellite. It was a risky operation, as the hon. member and I have discussed on many occasions, because it could have meant the destruction of the entire process. They were successful in opening that extra antenna. It became a success story.

The hon. member for Ottawa—Vanier might agree with me that the employees should get together and take other measures, perhaps in the only manner that the Government of Canada can understand. Do you know, Mr. Speaker, how or why the cabinet gave the order to the CRTC?

Do you know who helped in that proposal? There were four lobbyists hired. This is registered with the Department of Consumer and Corporate Affairs. No one should ever say: "No, there is no hope of getting the cabinet to overrule a decision of the CRTC". It is there and it is on the record.

One of the lobbyists is a former employee of the present minister of external affairs. Another lobbyist is a former employee of a person who is now a senator who used to be the minister of trade. Then, if that were not enough to clinch it, it then hired the former president of the Tory Party of Canada, a very respected and capable man by the name William Jarvis. If that were not enough to overturn the CRTC, if that were not enough to clinch it for it, it hired another person by the name Bill Fox.

If you want to get something in Canada then you certainly must hire the right people. The directors of the company claimed that these people were hired just to prepare a response to the Government of Canada and to prepare the case. The member for Ottawa—Vanier and myself spoke about the fact that the submission to the Department of Consumer and Corporate Affairs was to arrange meetings with elected officials.

In closing, let us say that the hon. member for Ottawa—Vanier is absolutely correct. The most important shareholders, the one per cent shareholders, are the employees of the company. They are the ones who made the $180 million profit for that company two years ago and another $180 million this year. They are the ones who showed $22 million clean net profit this past year on behalf of the company. These were the people who put the first commercial communications satellite into outer space. They were the ones who have put the most powerful commercial communications satellite in the world in outer space. These are the people who should be congratulated and these are the people who should be protected under this legislation.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, that was most enjoyable. I must admit I enjoy my friend from Gander—Twillingate when he gets up and talks so authoritatively about a number of subjects here in the House of Commons.

I want first of all to start by thanking my colleagues from Scarborough—Rouge River and Okanagan—Shuswap for the work that they have put in on this bill because they have done a tremendous job and have facilitated the passage of the bill to date. We do thank them very much for that.

The hon. member for Ottawa—Vanier alluded to public employees. First of all, the employees of Telesat are not public employees. Telesat is not a Crown corporation. Telesat is a private corporation with some government ownership in it. Let us understand that he misunderstands the situation. They are not public employees. They are employees of Telesat which is a private company. That makes it a little different.

Second, the amendment proposed is there to protect the minority shareholders. Let me remind the House, if I might, that the only two groups this affects are the employees of Telesat, 1.5 per cent, and Ontario Northland Transportation Communications which holds two-tenths of 1 per cent. Those are the only two groups that it protects.

When we talk about the employee share ownership, they already have now in place—it does not change with this bill or anything else—buy-back rights under the employee share ownership plan. They do not need the protection. They have the protection now.

This amendment is redundant and we are going to oppose it for those reasons. Those shareholders are protected.

• (1640)

We brought in the share ownership program for employees in January 1990. It has been well accepted. I forget the percentage, but it is a fairly large percentage. Well over 60 per cent of the employees hold shares in Telesat. The hon. member from Vanier and the member from Gander are absolutely right about the employees. They have pride in their company. I think that is shown by their participation in the share ownership program.

The second motion that was brought forward about taking the entire proceeds and putting them into the deficit reduction fund causes some problems for the government and for the accounting procedures. There is $30 million on our books. Other countries with Crown corporations do not have them on their books for any amount of money whatsoever. In Canada, the account procedure does. When money is expended on behalf of a corporation or a Crown corporation it goes on our books. On our books for Telesat is $30 million which was originally invested by the government to acquire the Telesat shares. According to the accounting rules all costs of earning revenues including the original cost of the investment must be subtracted from the net proceeds of the sale.

In other words, the taxpayers of Canada have forwarded $30 million to this company. They are getting the $30 million back. It goes into the consolidated revenue fund. By the way, all the money goes into the consolidated revenue fund and then is accounted to this account. The $30 million comes off the books. It is no longer on the books as a debt of the Government of Canada. Therefore we are saving a considerable amount of money for the people.

That money has to go to write off the $30 million debt that is on our books at the present time. The balance will go into the debt servicing and reduction account and will be available for deficit reduction.

I might also point out that the moment this particular bill comes into play, the Canada Business Corporations Act kicks in and all the protections contained in there pertain to the shareholders of the company.

The final amendment which is proposed by the hon. member for Mount Royal would have the effect of making the sale of the government's Telesat shares subject to prior approval of the CRTC.

Under Bill C-38 which we are debating the prior approval of the CRTC will be required before any person can acquire control of Telesat. The only exception is when this minister takes the shares of the Minister of Finance and CN and the subsequent sale is to a third party.

I might point out, however, that sale must be approved under the Competition Act of this country. We are advising all those who are interested in making bids to go to the competition bureau and get pre-clearance before they put in their bids. We think that will save them a tremendous amount of time and will save us a tremendous amount of time also.

We are going to oppose the three motions for very legitimate reasons. They were presented for very legitimate reasons, but we think the concerns of hon. members have been answered and are covered in the legislation as proposed and also in the Canada Business Corporations Act.

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 1.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

Some hon. members: On division.

Motion No. 1 negatived.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap) moved:

Motion No. 2.

That Bill C-38 be amended in Clause 5 by striking out lines 29 to 34 at page 3 and substituting the following therefor:

"amount of the net proceeds of the sale of any shares pursuant to subsection (1), other than net proceeds paid pursuant to subsection (2), shall be credited".

He said: Mr. Speaker, I will just call for the question at this point.

[*Translation*]

Mr. François Gérin (Mégantic—Compton—Stanstead): Mr. Speaker, I am pleased to speak in the debate on this bill. I would point out that the reason we are in such a hurry to pass all these bills is the Liberal party here, with 600 guests. It must cost a fortune. I am not sure where it all comes from, I do not know who is paying for it, since the party was supposed to have a very large debt.

[*English*]

Mr. McDermid: Mr. Speaker, I rise on a point of order. We are debating an amendment which is proposed by my colleague from Okanagan—Shuswap.

The hon. member complained earlier that they have no research department and therefore could not debate the bill properly. I might tell the House that we offered them a complete briefing at the department, all the briefing material, and to answer any of their questions at that time. Not one of them took up the offer.

All they are doing today is deliberately delaying the proper procedures in this House. That is all they are doing today. I would ask the hon. member in all fairness—and none of us are impugning motives on any other political party—to bring some common sense to the House of Commons, not to be so foolish, and to carry on with the work of this House.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would simply remind my colleague from Mégantic—Compton—Stanstead that there is a rule of relevance in the House and if he wants to comment on Motion No. 2 before us I would be interested in hearing him. However, if he wants to talk about the celebrations on the Hill tonight, let him tell us right away.

Mr. Gérin: Mr. Speaker, I must admit that my colleague from Ottawa—Vanier is quite right. He is a very sensible man. But I cannot pass up the opportunity to tell you that what the minister just said is totally false. I never, ever received an offer for any briefing from his department. On the contrary, they think that they know the sacred truth and that they do not have to talk with pro-sovereignty Quebecers who represent a large majority of the population. They never contacted us.

He referred to a research budget. I will tell you that the House of Commons has always refused, through the government, to recognize the Bloc Quebecois as a party, so we have to be treated as independent members.

[*English*]

The Acting Speaker (Mr. Paproski): There is such a thing as the rule of relevance. I would hope that the hon. member would speak to Motion No. 2. If he does not, I will recognize another member.

I will give him one more chance either to speak on the motion or I will recognize another member.

[*Translation*]

Mr. Gérin: Mr. Speaker, I thought that we were discussing the point of order that had been raised and I was waiting for your decision.

[*English*]

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8), a recorded division on the proposed motion stands deferred.

• (1650)

Mr. Derek Lee (for Mrs. Finestone) moved:

Motion No. 5A.

That Bill C-38 be amended in Clause 11 by striking out lines 26 and 27 at page 7 and substituting the following therefor:

"and (2)."

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8), a recorded division on the motion stands deferred.

The House will now proceed to the taking of the deferred divisions at report stage of the bill now before the House.

The first vote is on Motion No. 2. Call in the members.

The House divided on the Motion No. 2, which was negatived on the following division:

(*Division No. 99*)

YEAS

Members

Angus	Bélair
Dingwall	Gérin
Heap	Karpoff
Kindy	Leblanc (Longueuil)
Lee	MacWilliam
Milliken	Plamondon
Riis	Rocheleau
Stupich	Taylor
Venne—17	

NAYS

Members

Anderson	Belsher
Blais	Bosley
Cooper	Crosby (Halifax West)
de Cotret	Fee
Fretz	Hawkes
Hudon	Jacques
Larrivée	Mayer
McCreath	McDermid
Moore	Robitaille
St-Julien	Tétreault
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Wilson (Swift Current—Maple Creek Assiniboia)—24

PAIRED MEMBERS

nil/aucun

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next question is on Motion No. 5A.

The House divided on the Motion No. 5A, which was negatived on the following division:

(*Division No. 100*)

YEAS

Members

Angus	Bélair
Dingwall	Gauthier
Gérin	Heap
Karpoff	Kindy
Leblanc (Longueuil)	Lee
MacWilliam	Milliken
Plamondon	Riis
Rocheleau	Stupich
Taylor	Venne—18

NAYS

Members

Anderson	Belsher
Blais	Bosley
Cooper	Crosby (Halifax West)
de Cotret	Fee
Fretz	Hawkes
Hudon	Jacques
Larrivée	Mayer
McCreath	McDermid
Moore	Robitaille
St-Julien	Tétreault
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Wilson (Swift Current—Maple Creek—Assiniboia)—24

PAIRED MEMBERS

nil/aucun

The Acting Speaker (Mr. Paproski): I declare the motion lost.

[*Translation*]

Mr. Ferland: Mr. Speaker, I simply want to mention that if the bell had rung the full time set out in the Standing Orders I could have been here to vote and I would have voted with the governement.

[*English*]

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I too, if I had known there was only going to be a short bell, would have been here and I would have voted with the government.

• (1700)

Hon. John McDermid (Minister of State (Finance and Privatization)) moved that the bill be concurred in.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five members having risen:

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

(*Division No. 101*)

YEAS

Members

Anderson	Belsher
Blais	Bosley
Cooper	Crosby (Halifax West)
Darling	de Cotret
Fee	Ferland
Fretz	Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)	Hawkes
Hudon	Jacques
Kindy	Koury
Larrivée	Leblanc (Longueuil)
Mayer	McCreath
McDermid	Moore
Plamondon	Robitaille
Rocheleau	St-Julien
Tétreault	Thacker
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Vankoughnet
Venne	Vincent
Wilson (Swift Current—Maple Creek—Assiniboia)—37	

NAYS

Members

Angus	Bélair
Dingwall	Gagliano
Gauthier	Heap
Lee	MacWilliam
Milliken	Riis
Stupich	Taylor
Young (Acadie—Bathurst)—13	

PAIRED MEMBERS

nil/aucun

The Acting Speaker (Mr. Paproski): I declare the motion carried.

[*Translation*]

Mr. Gérin: Mr. Speaker, I would ust say that this week in my office here on the Hill I received a letter from the government's chief Whip saying that for future votes the Whips would not enter the House until members had taken their seats and the aisles were clear. But now we

saw a most unusual rush of members everywhere in the aisle, thus doing the opposite of what the government itself asked us. I do not think that—

[*English*]

The Acting Speaker (Mr. Paproski): Under the Standing Orders both Whips can come in at any time.

Mr. McDermid moved that the bill be read the third time and passed.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five members having risen:

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

(*Division No. 102*)

YEAS

Members

Anderson	Atkinson
Belsher	Blais
Bosley	Cooper
Crosby (Halifax West)	Darling
de Cotret	Fee
Ferland	Fretz
Gérin	Gray (Bonaventure—Îles-de-la-Madeleine)
Hawkes	Hockin
Hudon	Jacques
Kindy	Koury
Larrivée	Leblanc (Longueuil)
Mayer	McCreath
McDermid	Moore
Plamondon	Robitaille
Rocheleau	St-Julien
Tétreault	Thacker
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Vankoughnet
Venne	Vincent

Wilson (Swift Current—Maple Creek—Assiniboia)—39

NAYS

Members

Althouse	Angus
Bélair	Dingwall
Gagliano	Gauthier
Heap	Lee
MacWilliam	Milliken
Mitchell	Riis
Stupich	Taylor

Young (Acadie—Bathurst)—15

PAIRED MEMBERS

nil/aucun

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Bill read the third time and passed.

* * *

NATIONAL DEFENCE AND VETERANS AFFAIRS

AUTHORIZATION FOR COMMITTEE TO TRAVEL

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I believe that you will find consent to place the following motion without debate or amendment. I move:

> That eight members and the necessary staff of the Standing Committee on National Defence and Veterans Affairs be authorized to travel to eastern and western Europe within the context of its current study on the role of the Canadian Forces in a changing world at any time between January 26, 1992 and February 16, 1992 for a period not exceeding a total of 15 days inclusive.

The Acting Speaker (Mr. Paproski): Members have heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

Some hon. members: No.

Ms. Mitchell: Mr. Speaker, I rise on a point of order. I would like to express my concern. This afternoon I was at the meeting of the multicultural committee with five or six witnesses who had come some distance. We stopped the committee and I rushed over here to vote. As I got in the door everything was over.

I really must object that my rights have been infringed because of two-minute bells. I certainly hope the House will look into this.

The Acting Speaker (Mr. Paproski): The hon. member should know that under the new Standing Orders the Whips can come in at any time. I would hope that she would check with her House leader.

It being 5.10 p.m., the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 5.10 p.m.

HOUSE OF COMMONS

Thursday, December 12, 1991

The House met at 10 a.m.

Prayers

[*English*]

POINT OF ORDER

COMMENT DURING QUESTION PERIOD

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, yesterday a number of my colleagues raised a very serious point of order with regard to comments made by the Prime Minister.

I know that you have now had an opportunity to be seized with the particular issue, but due to the fact that the Prime Minister is not in the House I am wondering if we could have some indication from the Chair that perhaps your ruling could be made later this day when the Prime Minister is in the House so that we may have the matter resolved and resolved forthwith.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, since then I have had an opportunity to check with the Deputy Prime Minister who sits next to the Prime Minister. I have checked with the minister of youth and amateur sport who sits behind the Prime Minister and with the Whip, and I remember what I heard. We deny categorically and absolutely that the words attributed to the Prime Minister were stated by the Prime Minister.

• (1010)

Mr. Speaker: Before we go further let me say that members were heard yesterday. I am seized with the matter, as the hon. member for Cape Breton—East Richmond has pointed out. I do not want further debate on it. I will indicate in response to the hon. member for Cape Breton—East Richmond that I have looked at *Hansard* and I have checked the tape, watched it, and it does not assist us at all in this matter.

The hon. member for Cape Breton—East Richmond has suggested that the Prime Minister might return to the House at some later moment and I think that probably would be appropriate. Until I hear from the Prime Minister the matter is not completely settled.

I am indicating to the House that certainly at the moment I cannot advance the argument one way or the other as a consequence of having checked with the *Hansard* and checked with the tapes.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, just to seek clarification, you are awaiting the appearance of the Prime Minister before this is pursued any further. Is that correct?

Mr. Speaker: There is obviously an attempt being made by the hon. member for Cape Breton—East Richmond to have this matter resolved in a civilized way and according to the rules.

If the hon. government House leader disagrees, I will give him the floor. I will hear him.

Mr. Andre: Mr. Speaker, we have a situation in which an accusation is made by members opposite which is absolutely denied by everybody within earshot of the Prime Minister. The record was checked concerning any verification of this accusation by *Hansard* or by the tapes. There is absolutely none.

I dispute the fact that the allegation remains outstanding. An allegation is made without foundation or proof and it is categorically denied. That should be the end of it.

Mr. Speaker: I would ask all hon. members for just a moment, including ministers and front-bench members on the other side and anybody else, to just quiet down.

One of the reasons we are in difficulty is that there is too much shouting back and forth. Sometimes what is

shouted back and forth creates a situation that may not be excusable and it may not be right but it creates disorder because somebody responds. It is not an easy task in a situation like this to find a way through it according to procedure and according to the best sense of civility that we can muster in the House. The hon. House leader feels that it is not necessary for the Prime Minister to come into the House.

If the hon. member for Cape Breton—East Richmond feels that the denial the Prime Minister made outside the House is sufficient, I will accept it.

Mr. Dingwall: Mr. Speaker, the matter has been raised through several interventions yesterday.

The hon. government House leader has made a proposition. He has indicated that members of his caucus did not hear the remarks. They deny the remarks as part of a tradition of this House. I will accept the word of the hon. member who says that.

When the Prime Minister returns to the House and says that on the floor of the House of Commons, we will then respect the words of that hon. member. Until such time we think it only appropriate and fair to all concerned since there are hon. members on this side who believe something different.

We will wait for the Prime Minister to return and to make a brief denial, if you will, or statement or apology.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I want to simply raise one point. Yesterday, after Question Period, the Speaker was asked to review the "blues" with regard to the statement of the Prime Minister.

I heard the Speaker say this morning that he reviewed the "blues" and they were not helpful. I would like to ask the Speaker to examine those words, because I think they are very helpful in that there are no such words on the "blues" or on any records of this House.

I want to be very careful to ask that the Speaker examine those words because I think the right words are that it was helpful.

Mr. Speaker: I am not going to get into an argument of semantics.

What I am saying to all members of the House and to the public is that neither the "blues", the *Hansard*, the tape, the television nor the soundtrack give any indication whatsoever that the Prime Minister said the words alleged.

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, we talk about tradition in this House. I am certainly one who respects the traditions and tries—

Mr. Simmons: You would never know it sometimes.

Mr. Speaker: Just a moment, please.

Does any hon. member really believe that by shouting at the minister when he is on his feet is helping us to settle this matter?

Mr. Simmons: I do not believe it but he is allowed.

Mr. Speaker: The hon. member for Burin—St. George's will take his seat and be quiet.

Mr. Simmons: Play fair. He disrupted the House for five minutes.

Mr. Speaker: The hon. member for Burin—St. George's will retract that accusation against the Chair.

Mr. Simmons: Mr. Speaker, the record will show that the right hon. gentleman from Yellowhead disrupted the House for five minutes with his shouting.

I retract any inference against the Chair, but I appeal to the Chair to continue its known fairness.

Mr. Speaker: That is what I am trying to do.

Mr. Clark (Yellowhead): Mr. Speaker, I simply want to draw the attention of all of us to what I think would be quite a new practice established here.

Were it possible for an accusation or an attribution of words to be made to another member, however outrageous or however unfair that might be, and then to somehow transfer to the accused the onus of denying words that person never said, would be in my judgment a departure from the traditions of this House and not a helpful departure from the traditions of this House.

If one seeks to remove the rules of this House from the immunity from partisanship which they have by and large known, then that process can destroy order here surely and absolutely.

I as one member of this House—

Mr. Simmons: Keep him in order too. What a hypocrite.

• (1020)

Mr. Speaker: There is no pleasure in being Speaker and having to give lectures. There probably is a limit to how useful it is but I have to ask for the support of all members. At the moment I am asking members to comply very carefully with the best traditions of this place and let the hon. minister give his remarks. If the hon. member for Burin—St. Georges wishes to respond, he can seek the floor.

Mr. Clark (Yellowhead): Mr. Speaker, I think that my earlier intervention which was driven by quite an uncharacteristic loss of my temper was unhelpful to the House. I regret that. I certainly believe that we are moving dangerously close to a practice that could be disruptive to the long-standing order of the House. I would hope that both in the Chair's deliberations and in the decisions members on all sides of the House have to take about this matter that we will not give standing to a practice which might allow me to attribute to the hon. member for Winnipeg South Centre, for example, some words he did not say and then impose upon him an obligation of denial. This has not been the practice of the House and certainly it is not one we should begin.

Mr. Dingwall: Mr. Speaker, we can proceed with business of the day forthwith. I do not suggest in any way that members on one side are more correct than members on the other. I say to the minister for constitutional affairs, as I said to the Chair: let us proceed with the business of today. When the Prime Minister is here at three o'clock the matter can be resolved forthwith.

It is not the way to stand in the House very subtly and suggest that 20 members of a caucus are all liars. That is the inference that one could make. That is the interpretation one could take from the hon. member.

I made an offer to proceed forthwith sincerely with the business of the House. At three o'clock the right hon. Prime Minister will then take the floor and make a statement and then the matter will be resolved.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, first of all I apologize for any disruptive tactic. I had difficulty restraining myself because I was doing what I do so often in this House and that is take my example from a man whom at normal times I respect very greatly, the hon. member for Yellowhead. It so happens I was following a terrible example of his this morning. I found a certain hypocrisy in that he could shout for 10 minutes.

Mr. Speaker: We are on a specific matter. The right hon. minister has indicated that perhaps he was over enthusiastic. Why can we not just leave it at that? If the hon. member for Burin—St. George's has some advise for the Chair on the point we are discussing, I will hear him.

Mr. Simmons: Mr. Speaker, just to reinforce the point that my colleague made a moment ago, it is not a question of conspiracy in which a bunch of us contrived some words that were never said.

We sincerely believe that we heard and saw mouthed certain expressions. Our analysis of what happened is not confined to members on this side of the Chamber. It has been confirmed by other people who were in the gallery at the time.

Mr. Speaker: Just a minute. We are getting into an area I felt we ought not to get into.

[*Translation*]

Mr. Lapierre: Mr. Speaker, speaking of insulting language, and especially on the part of the Prime Minister, it has been six weeks since the Prime Minister used insulting and degrading language in referring to me, and for six weeks, no one has done anything about it.

Mr. Speaker: One moment, please. Yesterday we discussed the position taken by the hon. member for Richelieu.

[*English*]

I am seized with the matter. I will do the best I can on it. This is not the time to get into it.

I think we are going to proceed with Routine Proceedings.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

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

languages, the government's response to several petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*Translation*]

INTERNATIONAL ASSEMBLY OF FRENCH-SPEAKING PARLIAMENTARIANS

PRESENTATION OF TWO REPORTS ON ACTIVITIES OF CANADIAN CHAPTER

Hon. Andrée Champagne (Saint-Hyacinthe—Bagot): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present in the House, in both official languages, reports on two activities of the Canadian chapter of the International Assembly of French-speaking Parliamentarians.

My first reference is to the proceedings of the Eighteenth General Assembly, held in Ottawa and Calgary from September 1 to September 8, 1991. I would like to take this opportunity to thank all members who attended, with diligence and enthusiasm, both plenary sessions and commission meetings. I would also like to thank the clerks and all employees of the House who helped us host this meeting of the international Francophonie with graciousness and warmth and, if I may say so, with superb organizational skill.

My second reference, is to the participation of the Canadian chapter of the International Assembly of French-speaking Parliamentarians in the fourteenth *Biennale de la langue française* held in Lafayette, Louisiana, from October 30 to November 6, 1991. I had the honour to represent the association at the *Biennale*. We discussed how French is taught, the quality of the French spoken in various countries and continents, and the efforts being made throughout the world to preserve and promote that superb instrument of communication of our civilization: the French language.

[*English*]

INDIGENOUS PARLIAMENT OF THE AMERICAS

REPORT ON FIFTH MEETING

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, pursuant to the Standing Orders I am pleased to present a report, in both official languages, on the fifth meeting of the Indigenous Parliament of the Americas held in Ottawa between November 10 and November 13 of this year.

This is a gathering of some 50 members of Parliament from Central, South and North America who were here to discuss matters of international concern like the environment, the role they will play in Brazil in the conference there in 1992, human rights violations, the fifth centenary of the arrival of Christopher Columbus to the Americas, the International Labour Organization resolution 169, and the meeting in Greenland which was held by the United Nations, a meeting of experts.

We were very honoured to host this conference.

* * *

HOUSE MANAGEMENT

20TH REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present the 20th report of the Standing Committee on House Management as per Standing Orders 104 and 114 and, if the House gives it consent, I intend to move concurrence in the report later this day.

The Acting Speaker (Mr. Paproski): Is there consent?

Some hon. members: Agreed.

[*Editor's Note: See today Votes and Proceedings.*]

CONCURRENCE IN 20TH REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): I move that the 20th report of the Standing Committee on House Management, presented to the House earlier this day, be concurred in.

Motion agreed to.

* * *

HEALTH AND WELFARE, SOCIAL AFFAIRS, SENIORS AND THE STATUS OF WOMEN

SECOND REPORT OF THE STANDING COMMITTEE

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I have the honour to present the second report of the Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women entitled *Canada's Children: Investing in our Future*. This report is the result of two years of study by the subcommittee on poverty of the Standing Committee on Health, Welfare Social Affairs, Senior Citizens and Status of Women which examined the unanimous motion of the House of Commons:

> That this House express its concern for the more than one million Canadian children currently living in poverty and seek to achieve the goal of eliminating poverty among Canadian children by the year 2000.

• (1030)

The report makes recommendations which would ensure that every child in Canada is born as healthy as possible and that all parents have the necessary income to provide for the basic needs of their children and an adequate discretionary income to meet the educational, recreational and cultural needs of their children.

It proposes the design of a program which would provide financial incentives for people to work and ensure income security through an improvement in the federal minimum wage, a guaranteed earned income supplement and a refundable child care tax credit with maximum benefits given to low income earners.

The implementation of these recommendations would not only help poor children, but it would also help Canada compete internationally by maximizing the potential of our most valuable resource, our children.

Your committee requests that the government table a comprehensive response to this report in accordance with the provisions of Standing Order 109.

TABLING OF MINORITY REPORTS

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, we just heard the report of the subcommittee on poverty.

On behalf of the Liberal caucus, I would like to present our minority report.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): There is not unanimous consent.

I regret that since April, minority reports are now to be heard.

Mr. Pagtakhan: Mr. Speaker, I would like to table a minority report because the report presented by the subcommittee in our estimation is replete with recommendations that say they should be done as soon as possible with no definite timetable. Some of them have too many exhortations telling provinces what to do without financial and regulatory incentives. In fact, some of the recommendations are futile, downright ridiculous, behind the times in terms of the definition of poverty, redundant and really a further stab at our social programs and not a cure at all for poverty, but instead will perpetuate the malignant problem of poverty in Canada.

Therefore, I table our report.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I wonder if I might get unanimous consent from the House to introduce, in both official languages, the New Democrats minority response to the report?

The Acting Speaker (Mr. Paproski): You do not need unanimous consent. Go ahead.

Mr. Axworthy (Saskatoon—Clark's Crossing): The response of the New Democratic Party to the majority report of the subcommittee on poverty is somewhat similar to that just mentioned by my colleague from Winnipeg.

This House has unanimously voted to resolve to end child poverty by the year 2000. This report will not ensure that child poverty is ended by the year 2000.

The Prime Minister made a commitment in signing the UN Declaration on the Rights of the Child to make children the first goal in national resources in good times and bad times.

This report will not support fully that call. It appears to me that the majority response from the subcommittee will hold back both the Prime Minister's commitment

and the commitment of this House on the motion of November 1989 to eliminate child poverty by the year 2000.

What we have available is the New Democrats response which will ensure that the appropriate measures are taken to prevent poverty, rather than just to respond to it once it arises.

[*Editor's Note: See today's Votes and Proceedings.*]

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CANADA DEPOSIT INSURANCE CORPORATION

MEASURE TO AMEND

Hon. Otto Jelinek (for the Minister of State (Finance and Privatization)) moved for leave to introduce Bill C-48, an act to amend the Canada Deposit Insurance Corporation Act and to amend other acts in consequences thereof.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Jelinek for Mr. McDermid moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-49, an act to amend the Criminal Code (sexual assault).

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Ms. Campbell (Vancouver Centre) moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

JUDGES ACT

MEASURE TO AMEND

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-50, an act to amend the Judges Act and the Supreme Court Act and to make related and consequential amendments.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Ms. Campbell (Vancouver Centre) moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

NORTHWEST TERRITORIES WATER ACT

MEASURE TO ENACT

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-51, an act respecting water resources in the Northwest Territories.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Siddon moves that the bill be read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

YUKON WATERS ACT

MEASURE TO ENACT

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-52, an act respecting water resources in the Yukon Territory.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Siddon moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

SPECIAL ECONOMIC MEASURES ACT

MEASURE TO ENACT

Hon. Otto Jelinek (for the Secretary of State for External Affairs) moved for leave to introduce Bill C-53, an act to provide for the imposition of special economic measures.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Jelinek for Mrs. McDougall moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

FARM PRODUCTS MARKETING AGENCIES ACT

MEASURE TO AMEND

Hon. Bill McKnight (Minister of Agriculture) moved for leave to introduce Bill C-54, an act to amend the Farm Products Marketing Agencies Act and other acts in consequence thereof.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. McKnight moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

POINT OF ORDER

QUESTIONS ON THE ORDER PAPER

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I rise on a point of order. I have a hunch that we are not going to get to Questions on the Order Paper today because of other items planned for Routine Proceedings.

I have a question for my friend, the parliamentary secretary to the government House leader. As was suggested yesterday, I wonder if during the adjournment as the various questions are answered they could simply be tabled with the Clerk so that we would not have to wait until the House reconvenes before the answers are forthcoming.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I want to assure my friend that I am looking at that option at this point and will be back to him with an answer before the day is out.

• (1040)

I also want to indicate to him that I expect we will get to questions, perhaps after we have done some of the motions and can allow the ministers to return to cabinet meetings. Then we could answer them at that time.

* * *

NATIONAL DEFENCE AND VETERANS AFFAIRS

AUTHORIZATION FOR COMMITTEE TO TRAVEL

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I believe that you will find unanimous consent for me to move the following motion without debate or amendment:

> That eight members and the necessary staff of the Standing Committee on National Defence and Veterans Affairs be authorized to travel to eastern and western Europe within the context of its current study on the role of the Canadian Forces in a changing world at any time between January 26, 1992 and February 16, 1992 for a period not exceeding a total of 15 days inclusive.

The Acting Speaker (Mr. Paproski): Members have heard the terms of the motion. Is there consent?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): There is no consent.

NATIONAL DEFENCE AND VETERANS AFFAIRS

AUTHORIZATION FOR COMMITTEE TO TRAVEL

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 56.1(1)(a), I move:

That eight members and the necessary staff of the Standing Committee on National Defence and Veterans Affairs be authorized to travel to eastern and western Europe within the context of its current study on the role of the Canadian Forces in a changing world at any time between January 26, 1992 and February 16, 1992 for a period not exceeding a total of 15 days inclusive.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion.

Will those members who object to the motion please rise in their places?

And less than 25 members having risen:

The Acting Speaker (Mr. Paproski): The motion is carried.

Motion agreed to.

Mr. Riis: Mr. Speaker, I rise on a point of order. I first of all want to make it clear that we did not stand in opposition to this motion because we had supported the motion in principle. But I do want to register strong opposition to the use of this Standing Order for this purpose.

Obviously when Standing Order 56.1 was drafted, the intention was that it would be used only when proper notice was impossible to give and action had to be taken. Obviously there was ample time for notice to be given, and I regret the use of this very Draconian Standing Order in this rather casual way.

I simply want to go on record to say that in future our co-operation certainly will not be forthcoming, and I want to say that this is inappropriate.

An hon. member: Oh, oh.

Mr. Riis: Shut up, Joe. Mr. Speaker, I listened when the hon. member for Yellowhead had something to say earlier.

The Acting Speaker (Mr. Paproski): 'Tis the season to be jolly. Let's not get into that now.

[*Translation*]

Mr. Lapierre: Mr. Speaker, I am also very worried about the use of Standing Order 56.1(1)(a) in this case, to allow eight members to enjoy the perks of a trip around the world for two weeks.

The fact is that a very Draconian measure is being taken for the sake of a trip that will let members travel all over the globe. My point is, that this year the government is making the same mistake it made last year by offering—

[*English*]

The Acting Speaker (Mr. Paproski): I regret but that is the Standing Order.

[*Translation*]

Mr. Saint-Julien: Mr. Speaker, on the same point of order. We know how many members will be on this trip and how many weeks they will be away. However, I would like to know right away how much this is going to cost.

* * *

[*English*]

PUBLIC ACCOUNTS

AUTHORIZATION FOR COMMITTEE TO TRAVEL

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I believe you will find that there is consent for me to move the following motion without debate or amendment:

That nine members and the necessary staff of the Standing Committee on Public Accounts be authorized to travel to Washington, D.C., from February 9 to February 12, 1992 to study the American auditing and accountability system.

The Acting Speaker (Mr. Paproski): Members have heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

Some hon. members: No.

* * *

PUBLIC ACCOUNTS

AUTHORIZATION FOR COMMITTEE TO TRAVEL

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons) I move:

That nine members and the necessary staff of the Standing Committee on Public Accounts be authorized to travel to Washington, D.C., from February 9 to February 12, 1992, to study the American auditing and accountability system.

The Acting Speaker (Mr. Paproski): Mr. Andre, pursuant to Standing Order 56.1(1)(a), moves that nine members and the necessary staff of the Standing Committee on Public Accounts be authorized to travel to Washington, D.C., from February 9 to February 12, 1992, to study the American auditing and accountability system.

Will those members who object to the motion please rise in their places?

And less than 25 members having risen:

The Acting Speaker (Mr. Paproski): The motion is carried.

Motion agreed to.

[*Translation*]

Mr. Rocheleau: Mr. Speaker, on a point of order. I think it is indecent for the government to go on free trips around the world, when Canadian citizens are being asked to tighten their belts.

[*English*]

The Acting Speaker (Mr. Paproski): If hon. members disagree with the Standing Orders then they should do something about that. Otherwise there is no sense debating it in the House.

Mr. Riis: Mr. Speaker, I rise on a point of order. I might have concerns about the Standing Order, but at least we should follow it. Before this Standing Order is to be used there has to be an attempt to seek unanimous consent prior to the moving of this motion.

It seems to me that procedure was not followed so what we have just done is actually out out of order.

If I am allowed to complete my remarks, I first of all want to say that the procedure was not followed here as per the Standing Order. Second, I want to register once again my strong opposition to the inappropriate use of Standing Order 56.1, to it being used for a particular initiative for which it was never intended.

I simply say in closing that had adequate notice been given on Tuesday this would not have been necessary. But again I want to say that this motion has been proceeded with inappropriately.

The Acting Speaker (Mr. Paproski): As far as I am concerned, the motion was proceeded according to Standing Orders. There is no doubt in my mind.

Mr. Dingwall: Mr. Speaker, I rise on a point of order. I think you would find that there would be unanimous consent in the House to revert from motions to petitions, thereafter completing petitions and then referring back to motions.

Mr. Cooper: Mr. Speaker, I wonder if we may do petitions and then allow me to answer the questions as well before returning to the concurrence motions.

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered.

[*Translation*]

Mr. Saint-Julien: Mr. Speaker, before the points of order on the motion by the Parliamentary Secretary to the Minister of State and Leader of the Government in the House of Commons, I rose on the motion for the trip to Washington.

I am a member of the Standing Committee on Public Accounts and I refuse to go on this trip.

[*English*]

The Acting Speaker (Mr. Paproski): If the member wishes to get any information he should check with his Whip.

* * *

PETITIONS

YOUNG OFFENDERS ACT

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have a petition signed by approximately 2,200 people who wish to petition Parliament with regard to the Young Offenders Act.

They have asked me to present this petition to Parliament in memory of 16-year old Anne Marie Bloskie who was brutally murdered in Barry's Bay last summer.

They make some very cogent points in here. They say that section 16 of the Young Offenders Act fails to provide to the public protection from dangerous young criminals, that the community interest should be protected by allowing the participation of the community

through the utilization of trial by judge and jury where young offenders are involved in offences of extreme violence and murder, and that they disagree with the light sentence that is involved with Bill C-12.

• (1050)

They are very concerned that once young offenders are sentenced to prison they have proper medical facilities available to treat them the moment they are incarcerated and that they be properly assessed before they are allowed back out on the streets. Therefore the petitioners recommend that psychological treatment for young offenders should be mandatory and immediate upon sentencing.

I present the petition on behalf of 2,200 very serious petitioners from across Ontario.

JASPER AND BANFF NATIONAL PARKS

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I rise today to present two petitions.

The first was signed by some 350 residents of Jasper, Alberta. They are opposed to proposed regulations which would close the airstrip in Jasper National Park.

The second petition was signed by 33 residents of the city of Calgary who also support the retention of airstrips in both Jasper and Banff National Parks.

HERRING FISHERY

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I rise also pursuant to Standing Order 36. I have a petition signed by 152 fish plant workers from the Meteghan, Saulnierville, Weymouth and Church Point areas of southwestern Nova Scotia. They work in the herring fishery and are opposed to the practice of over-the-side sales when fish plants have no work.

The petitioners humbly pray and call on the House of Commons to urge the Department of Fisheries and Oceans to take measures to stop the over-the-side sale of herring and help Canadians process the fish for sale to the foreigners.

HOUSING

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I also have another one signed by 1,313 people from the Yarmouth area of southwestern Nova Scotia.

The petitioners are concerned about the government's constitutional proposal to transfer the jurisdiction of housing to the provinces without compensation. They are worried that the provinces will not be able to afford to maintain the current level of housing assistance on their own.

The petitioners call upon the minister responsible for Constitutional affairs to look again at this transfer.

RAIL LINE PRIVATIZATION

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I have two petitions to table with you today.

The first petition has in excess of 2,000 names of individuals from the island of Cape Breton who are opposed to the privatization of the rail line between Sydney and Truro, Nova Scotia.

These petitioners come from such communities as Glace Bay, Sydney, New Waterford, Dominion, Sydney River and Port Morien. They call upon the government to intervene with CN in order to preclude this particular privatization of a rail line which has served the industrial heartland of Cape Breton for a good number of years.

My second petition again has in excess of 2,000 names. It comes from many parts of Cape Breton, particularly rural Cape Breton. Individuals from all over the island are opposed to the government's privatization of the rail line between Sydney and Truro, Nova Scotia.

The petitioners call upon the Government of Canada, under the provisions of the Financial Administration Act, to give a directive to CN in order to preclude the privatization of this rail line. It is very important not only to the industrial heartland of Cape Breton, but it has a profound economic impact in rural Cape Breton, namely on Stora Forest Industries as well as the coal industry, the steel industry and all other major sectors of our economy.

They call upon the government to act on behalf of those citizens who are opposed to the privatization of this railway line.

JUSTICE

Mr. Bill Kempling (Burlington): Mr. Speaker, I wish to present more than 100 petitions which contain thousands of signatures of citizens in Burlington, Hamilton, Stoney Creek, Dundas, Mississauga, Oakville, Scarborough, Guelph, Kitchener, and all over southwestern Ontario.

The petitioners urge the government to stiffen the penalties for violent crime and point in particular to the death of Miss Nina de Villiers who was brutally murdered on August 9, 1991.

The petitioners ask that the Minister of Justice and the Solicitor General continue to review all legislation that deals with public safety and negotiate where necessary with provincial authorities to ensure the laws are amended to reflect the concern expressed by the petitioners on public safety.

[*Translation*]

GASOLINE PRICES

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I have a petition signed by several Canadians from the national capital region, that is by people on both sides of the river, in both provinces. The petition asks the federal government to do something about oil prices in the area, which are excessively high compared with prices in other areas such as southern Ontario.

[*English*]

UKRAINE

Mr. Al Horning (Okanagan Centre): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition signed by approximately 50 residents of my riding of Okanagan Centre.

They call upon the Government of Canada to give genuine support to the people of Ukraine by officially recognizing Ukraine's independence in establishing full diplomatic relations with the government and the people of Ukraine.

ATLANTIC CATCH FAILURE PROGRAM

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise pursuant to Standing Order 36 regarding a petition related to the Atlantic Catch Failure Program.

It is signed by residents, mostly fisherpersons and those involved in the fish plants from Bonavista Bay, Trinity Bay and Conception Bay, all affected by the catch failure program. I do not have to tell you, Mr. Speaker, that their living depends very much on the fishery and 1991 was the biggest failure in the memories of those who are involved.

The Atlantic Catch Failure Program which was introduced in October was supposed to be a response, but unfortunately the response was inadequate to the crisis which threatens the continued viability of the industry, the existence of communities and the livelihood of the fishermen, plant workers and their families. It is going to be a cold winter for many families.

These petitioners call upon Parliament to review the Atlantic Catch Failure Program to ensure a timely and a very adequate response and a redress for all those whose livelihoods have been so adversely affected by the failure of the fishery this year.

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a series of petitions I would like to table today.

The first one is from over 100 participants in *Snow Show* in Thunder Bay who are all calling on the government and Parliament to restore VIA Rail to its levels of a couple of years ago.

PRINCE EDWARD ISLAND

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, a number of petitioners from Prince Edward Island are very concerned about the plans for building a bridge or causeway to connect it to the mainland.

They are asking for a halt to all business until such time as a direct vote of the public is held in the form of a plebiscite.

THE ECONOMY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a third group of petitions from hundreds of people from Thunder Bay and northwestern Ontario who are totally against the GST, the free trade agreement, the high interest rates and the high dollar and ask Parliament to do something about it.

UKRAINE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, on behalf of the patrons of the Ukrainian Cultural Centre in Thunder Bay and the Holy Cross Ukrainian Church in Thunder Bay, I am pleased to table a petition that asks Parliament to advise the federal government to declare September 7, Ukrainian Day in recognition of the rich heritage and enormous contribution of Canadians of Ukrainian descent.

I am sure, Mr. Speaker, you would agree with that.

[*Translation*]

GATT NEGOTIATIONS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have the honour and the privilege, pursuant to Standing Order 36, to present petitions signed by 700 constituents in the riding of Glengarry—Prescott—Russell. These constituents are very worried about the GATT negotiations. They humbly pray and call upon Parliament to urge the government to protect our supply management systems during these negotiations.

I would also like to inform the House that during the past three weeks, I tabled petitions with about 1,200 signatures, in addition to the 700 I tabled today, which means that a total of 1,900 people have demonstrated their interest in this very important matter.

[*English*]

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I am pleased today to present two petitions signed by people from my riding.

The first says that dairy and poultry farmers of Canada are concerned that the marketing systems may be in jeopardy due to the implementation of the free trade agreement and the current round of GATT negotiations.

Canadian dairy and poultry farmers have developed the most sophisticated marketing system in the world and provide high quality products to our consumers.

These petitioners are from such places in my riding as Lower Bedeque, Fernwood, Albany, Crapaud and other places. They instruct the government to hold our Canadian system up as an example to the rest of the world and to protect it in the current round of GATT negotiations.

• (1100)

PRINCE EDWARD ISLAND

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, the other petition I have concerns transportation links to Prince Edward Island.

The Government of Canada has constitutional responsibility for the development of these lines. The Government of Canada's long-term solution for the province's transportation needs, the contract for the bridge, has yet to be approved. Following the award of the contract it may take seven to ten years to complete construction. The Government of Canada's ferry service between the province and the mainland is now being stretched beyond capacity.

These petitioners from places in my riding such as Cornwall, North River, Long Creek, Harrington and other communities. They say to the government that Prince Edward Islanders deserve and require a vastly improved ferry service.

VIA RAIL

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, it is my honour to present two petitions today. The first one has to do with the cutbacks in VIA Rail service, signed by a great many of my constituents who have been directly affected by the cuts in VIA Rail and some who have had meaningful access to their cottages cut back severely.

They call upon the government to maintain VIA Rail, Canada's present national network, to upgrade VIA Rail with new equipment, and to give VIA Rail a sufficient budget to maintain its national mandate for passenger service.

TARTAN DAY

Mr. Bill Blaikie (Winnipeg Transcona): I have another petition here, Mr. Speaker. I note that the hon. member for Thunder Bay—Atikokan presented a petition having to do with Ukrainian heritage.

Mr. Speaker, as you might know, the Ukrainians and the Scots share a patron saint in St. Andrew. I have the honour to present a petition calling on the federal government to declare April 6, Tartan Day, in recognition of the rich heritage and enormous contribution of Canadians of Scottish descent.

I hope this petition might find favour with the Chair.

GATT

Mr. Ken Hughes (Macleod): Mr. Speaker, I rise pursuant to Standing Order 36 as well with two petitions.

The first one is on behalf of numerous agricultural producers in the province of Alberta. Many of them are from the riding of Macleod which I serve.

These producers are very concerned with the current multilateral negotiations at the Uruguay round on the

General Agreement on Tariffs and Trade, more specifically the rules regarding international agricultural trade.

The many poultry and egg producers and concerned citizens of Alberta who have signed this petition support the efforts of this Government of Canada at the GATT negotiations. They support the federal government's position on the issue of agricultural trade. They want an agreement which restores sanity to international agricultural trade.

They urge the Canadian government to maintain its position on article XI of the GATT, to maintain a position that should be clarified and strengthened to protect Canada's system of supply management.

GOVERNMENT SPENDING

Mr. Ken Hughes (Macleod): Mr. Speaker, my second petition is a very substantive one. It is on behalf of 600 citizens of the province of Alberta. Most of the signatures come from the riding of Macleod.

The petition is in support of the proposed spending control act, an important piece of legislation and one widely supported by the people of Macleod.

By signing this petition they have indicated their support for the federal government's initiative to legislate limits on government spending. They have simple message for all hon. members of the House, that enough is enough.

They want us to get the government's fiscal house in order and ask that members of the House unanimously support this legislation.

These are from many communities.

JUSTICE

Mr. Stan Keyes (Hamilton West): Mr. Speaker, pursuant to Standing Order 36, I too have a petition to present to this House. It is my honour and duty to do so and it has been certified correct by the clerk of petitions. It contains the signatures of many Canadians living in my riding of Hamilton West, right through down to Tillsonburg, Binbrook and other areas of Hamilton and Burlington.

They join the over 100,000 petitioners who have all called on this House to support the parents of Nina de Villiers and request that Parliament recognize that crimes of violence against the person are serious and abhorrent to society and amend the Criminal Code of Canada, the Bail Reform Act, 1972 and the Parole Act accordingly.

CROATIA

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a petition signed by a large number of people from central British Columbia, calling upon the Government of Canada to recognize an independent and sovereign Croatia. They are calling upon the government to provide adequate humanitarian aid for those gallant Croatians defending their families, their homes and their homeland. They raised a number of other items, but I will present those at subsequent times.

I want to say that I consider it a privilege and indeed an honour to have this opportunity to make this presentation.

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): On another matter I have a petition from a large number of constituents, literally many hundreds of people. I have not counted all of the names.

They point out their concern that the government's 9 per cent goods and services tax is causing a great deal of economic pain for increasing numbers of Canadians and are asking the government to reconsider continuing with this tax.

RCMP

Mr. Nelson A. Riis (Kamloops): On another matter, petitioners from Kamloops are calling upon the Government of Canada to ensure that the Royal Canadian Mounted Police has adequate funding to enable it to fulfil its mandate and its role as the only visible police force for communities across British Columbia.

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): On the last matter, the petitioners are pointing out their concern for the plan of a Vancouver based company, in co-operation with a California based company, and their intention to dam the North Thompson River at Vavenby, British Columbia, in an effort to divert some of the water into the San Diego, California area.

They are simply calling upon the government to indicate that Canadian rivers are not for sale.

[*Translation*]

GOVERNMENT SPENDING

Mr. Allan Koury (Hochelaga—Maisonneuve): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present a petition signed by some 1,500 people from Montreal and more specifically Hochelaga—Maisonneuve and certified by the clerk of petitions.

The petitioners are concerned and want Parliament to pass legislation now to limit government spending.

[*English*]

UKRAINE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise to present a petition dated November 22 which I just received very recently. The petition is signed by a number of members from the Ukrainian community in my riding of Moose Jaw—Lake Centre.

They call upon the government to recognize Ukraine, to recognize its independence and to move to establish full diplomatic relations.

On behalf of the Ukrainian community in Moose Jaw and on behalf of all constituents in Moose Jaw—Lake Centre, I want to congratulate the government on its swift recognition of Ukraine and would urge the government to press forward with its establishment of full diplomatic relations with the government and the people of Ukraine.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the following questions will be answered today: Nos. 52 and 138.

[*Text*]

Question No. 52—**Mr. Skelly (North Island—Powell River):**

With respect to security of the mail (a) have many letter carriers have been robbed in (i) 1990 (ii) 1991 (b) are letter carriers permitted to leave government cheques in relay boxes and, if not, for what reason (c) does Canada Post insist that government cheques be carried at all times by letter carriers (d) are keys to relay boxes given to contractors and, if so, what effect does that have on security (e) what measures has Canada Post taken to inform the public to be more careful with valuables shipped in the mail?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): A) Nationally, our incidents are as follows:

(i) In December 1990 there was one attempted robbery and one which resulted in the loss of approximately 120 pieces of mail.

(ii) In March 1991 there were two armed robberies of letter carriers, one resulting in the loss of official keys and the satchel and the other in the loss of keys.

No injuries were sustained in any of the above events.

B) As a result of a number of incidents relative to relay boxes, including theft and break-ins of these boxes, we implemented an interim protective measure to have letter carriers carry government cheques rather then sending them to their respective relay boxes. This measure was implemented March 1, 1991 and remains in place.

C) As indicated above, an interim procedure was implemented to have letter carriers carry government cheques rather then sending to relay boxes. This procedure is still in place.

D) Relay box keys are issued to contracted personnel for the purpose of delivering letter carrier relay bags at locations where employees are not used and for maintenance purposes. All such contractors are security screened by Canada Post and the keys are signed for and returned daily.

E) Canada Post corporation encourage its customers to purchase insurance when mailing items of intrinsic value within the guidelines of the corporation's policy.

Question No. 138—**Mr. Nunziata:**

Since 1988 have any members of the parliamentary press gallery entered into any contract with the government and, if so, (a) what are the names of the individuals (b) what was the nature of the contract or services provided (c) what was the individual paid?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): I am informed as follows:

(a)	(b)	(c)	
Debra Brown	Communications Services	$ 3,883. 4,219.	E & I
Richard Inwood	Participation on the Basic Public Affairs Officers Course	$ 500. 500.	DND
Murray Maltais	Research services	$ 200.	PMO/PCO
Kenneth Pole	Speech writing	$ 535. 749. 1,050.	ECC
Jeffrey Simpson	Preparation and presentation of a summary session given at a seminar on the role of supply management by the National Farm Products Marketing Council.	$ 3,000.	NFPMC
	Researching, writing, preparing and presenting of a speech, on the role citizenship plays in the current constitutional debate from a non-governmental, non-partisan perspective.	$ 3,938.26 (Incl. travel expenses)	MULCIT
	Guest Speaker—Department of Finance management seminar.	$ 1,500.	PRIV. & REG. AFFAIRS
Michel Vastel	Acting as an animator from outside the federal government to provide the context for a discussion of national unity issues at a departmental senior management meeting.	$ 500.	CCA

Other departments have no information on this subject.

[*English*]

The Acting Speaker (Mr. Paproski): The questions as enumerated by the parliamentary secretary have been answered.

* * *

QUESTION PASSED AS ORDERS FOR RETURNS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, if Question No. 137 could be made an Order for Return, the return would be tabled immediately.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that Question No. 137 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

[*Text*]

Question No. 137—**Mr. Breaugh:**

Did the government host a reception held on the fourth floor terrace of the United Nations Building in New York, during the opening of the General Assembly of the United Nations in the fall 1991, and, if so, (a) what was the cost of food served (b) what was on the menu (c) what beverages were served and what were (i) their country of origin (ii) total cost (d) what other costs were associated with this event, such as transportation, room rentals, service and communications?

Return tabled.

[*English*]

Mr. Riis: I rise on a point of order, Mr. Speaker. I just want to seek clarification from my hon. friend, the parliamentary secretary to the government House leader in terms of the questions that are yet unanswered and are in contravention of the Standing Orders as a result because they are long past the 45 days required.

Could I ask my friend if he would indicate whether or not he has had a chance to consider the suggestion that as the questions are answered the answers be tabled during adjournment?

Mr. Cooper: No, Mr. Speaker. Since the hon. member last raised this issue I have been in my seat and have not had a chance to do those consultations, but I assure him I will.

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions stand?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): Motions.

Mr. Hawkes: I rise on a point of order, Mr. Speaker, just before we come to motions.

Earlier I was tempted to rise when some Independents raised some questions about the costing of motions for parliamentary committees to travel.

I just want the House to know that in my riding my constituents are worried about paying salaries to those same members because they show up here so very seldom.

* * *

PUBLIC ACCOUNTS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I move that the second report of the Standing Committee on Public Accounts, presented to the House on Friday, November 1, be concurred in.

• (1110)

We could adopt the motion now, but I believe it would be appropriate for me to say a few remarks.

[*Translation*]

All members of the House will admit that if we want to make the best use of resources we must be able to measure the performance of programs. Such evaluations enable members of Parliament, public servants and Canadians at large to check whether the rationale, objectives and design of programs are satisfactory and to compare the desired and observed results.

Thanks to the program evaluation done at the Department of Finance, Parliament and Canadians have been better informed of how efficiently bureaucrats or civil servants, if you prefer, handle their tax dollars.

These performance evaluations are particularly important when budgets are tight. Canadians have never been asked to do so much to reduce the budget deficit. Because of these many constraints, future governments, of whatever party, will have difficulty fulfilling their mandate, for lack of resources.

Therefore it has never been so important for Canadians to know that the various government policies are justified and cost effective. Canadians want to be sure that they are getting their money's worth. That is clear and I think it is justified.

Taxpayers are increasingly reluctant to loosen the purse strings. They are wary of the excessive demands made by all governments. Never have the objectives of various tax measures been called into question so much. I am thinking of the Income Tax Act, remission orders, tax incentives for investment and the goods and services tax, to name only these.

The public accounts committee, which I chair, was therefore very surprised to learn that the Department of Finance was reorganizing the way it evaluates tax measures. The committee expressed great concern about the cavalier way that the department dismantled the tax evaluation division. Just an internal memo announced the reorganization of the important evaluation unit. A

reminder of the events that led to the creation of the tax evaluation division in the Department of Finance is in order. As we know, this division was created in 1987 following many recommendations made by the Auditor General, the public accounts committee of the House of Commons and the Senate finance committee.

In 1983 the Auditor General already pointed out that finance was the only major department that had no program evaluation function. The Auditor General noted that the Department of Finance was the only department that apparently felt no obligation to give someone responsibility for program evaluation or to set up an evaluation unit. At the time, however, there were very clear Treasury Board guidelines which applied to all departments and agencies.

Perhaps I could give a few examples to illustrate the need for program evaluation. In 1984, the Department of Finance suggested introducing a research and development tax credit. Without an evaluation unit, this piece of fiscal foolhardiness ended up costing Canadians several billion dollars. Unfortunately the tax measure had not been evaluated by a special evaluation unit before it was introduced.

In his 1985 report the Auditor General of Canada highlighted the problems associated with the remission order given to the Hudson's Bay Oil and Gas Company Limited. It was after these events that the Senate Committee on National Finance and the House of Commons Committee on Public Accounts suggested the regular publication of a tax expenditure account.

[*English*]

In 1987 the finance department finally gave in and announced the establishment of a tax evaluation division. This new unit was to evaluate the effectiveness of fiscal policies in accordance with the guidelines issued by the Comptroller General of Canada.

[*Translation*]

The program evaluation policy, as revised in August 1991, provides that the deputy minister is responsible for reviewing all programs in his department.

He must report on program productivity and entrust a independent senior manager with the management of the evaluation process. He is also responsible for setting evaluation criteria and ensuring that all programs are evaluated periodically.

[*English*]

I should emphasize that given the prodding needed to get the finance department to establish a tax evaluation division, its getting out of the program three and a half years later is rather strange. It was the last in but the first out.

Numerous reports from the Auditor General, the public accounts committee of this House and the Senate finance committee were published on the inefficiency of some tax measures.

Furthermore, commitments made by the department in the past were given to the public accounts committee. The decision to put a discreet stop to the division's activities three and a half years later without informing the Office of the Comptroller General, the committee or the Auditor General is surprising, to say the least.

The committee had commitments made in March 1988 and signed by the previous Minister of Finance, the hon. member for Etobicoke Centre. I quote from the second paragraph of that letter: "I am entirely in accord with the committee's conclusion that Parliament needs information of higher quality on tax incentives, accountability and the tax system". The minister went even further and also assured the public accounts committee that the mandate of the division would: "provide evaluation of tax measures independent from line management".

The reorganization proposed by the Department of Finance three years later will not respect these commitments given by the former Minister of Finance, especially the requirements that the program evaluation be made independent from line management.

[*Translation*]

What the finance department proposed as an alternative to the evaluation unit does not meet Treasury Board guidelines. The guidelines issued by the Comptroller General's office require that these programs be evaluated independently, as I said earlier.

We think it is clear the department will no longer observe this guideline and these commitments. Furthermore, the Comptroller General requires that all programs be evaluated, every single one. Now that the division has been disbanded, the department no longer has an independent evaluation function. For instance, the government must finance, by means of various

financial instruments, $400 billion in cumulative debt. The government's most expensive program, debt servicing, which in 1991 will cost us $41 million, is not evaluated. No one, including parliamentarians who are regularly called upon to vote on this matter, knows whether the program is managed efficiently.

This new way of doing or, should I say, not doing things, is a matter of serious concern to members of the public accounts committee. Others are concerned as well. Although the Comptroller General argued that the finance department's decision did not necessarily endanger the program evaluation function and that we should wait to see the results before judging the department's decision, the same Comptroller General acknowledged that the new method of evaluating tax measures was not what he would prefer. This decision must be a matter of serious concern to all parliamentarians. The department reneged on the commitment it gave the public accounts committee in 1987.

What parliamentarians should understand is that the decision to reorganize the evaluation of tax measures puts at risk the independence of evaluations of those measures and the objectivity of the reporting. By giving responsibility for evaluating the effectiveness and efficiency of tax measures to the same managers who developed them, the department inevitably runs the risk of creating conflict situations. Human nature being what it is, officials will always have a tendency to protect the tax measures they propose after several months or years of hard work, even if they prove to be inefficient or too costly. From now on, with the new method of evaluating tax measures, officials will be asked to be both judge and jury.

The finance department told us that these managers would report to a director general who would be outside the authority hierarchy. However, it is likely that this director general will co-ordinate evaluations but have neither authority nor influence. The manager in charge of the evaluation group might not be informed if embarrassing results were discovered.

• (1120)

That is why tax measures must be evaluated independently. As I already said, that is exactly what the Comptroller General of Canada ordered in his directive. The public accounts committees ask for nothing more and nothing new. We ask the Department of Finance to apply Treasury Board's directives and standards.

Why make an exception today, when it was unacceptable four years ago? Besides the question of the objectivity and independence of evaluations, which involves the validity of the results and analyses, the department's decision will also have other major consequences. For example, the Department of Finance is losing employees who developed very valuable expertise in tax evaluation.

This will all be lost because the Department of Finance has dismantled that division. It will be hard to replace. The tax evaluation division was the only program evaluation unit in the Department of Finance.

The division had to examine tax revenues of over $100 billion a year and tax expenditures of tens of billions of dollars. The Comptroller General's office wants all programs, without exception, to be evaluated periodically. When he appeared before the committee, the Comptroller General admitted that the Department of Finance was unable to evaluate all its programs, including the one we consider the most important, debt service.

The committee is concerned and parliamentarians should also be concerned about this bureaucratic decision. In fact, the committee thinks that the Deputy Minister of Finance will no longer be fulfilling his responsibilities if he does not apply Treasury Board's directives on program evaluation to the letter. As we know, these directives are from the Comptroller General. Parliamentarians must correct this situation.

This division was also meant to foster public discussion. Making information and evaluations public stimulated debate among parliamentarians and all Canadians. With this information, we were able to know whether tax measures were effective or not, whether the objectives and the ways they were reached were right and what these measures cost. With these documents giving a positive or negative assessment of various policies, we could tell whether the same objectives could be achieved at less cost to the public treasury.

The reorganization carried out by the department is therefore regrettable and could have harmful consequences, since Canadians and parliamentarians may from now on be kept ignorant.

[*English*]

The division has published several reports on the Cape Breton tax credit, pension plans, exploration tax credits and remission orders. These reports concluded that the fiscal policies put into place were not, these particular measures anyway, always meeting their aims. Other reports were not publicly released by the Department of Finance.

Commitments were given to the public accounts committee by the Department of the Comptroller General. We have on the record these commitments to reduce the committee's apprehensions about the consequences of this bureaucratic decision, but they do not diminish the seriousness of the problem.

The Department of Finance has proposed to table a calendar for the next three years covering evaluations of future tax measures. This will not solve the lack of independence and the lack of objectivity in the evaluations made by employees reporting to a staff manager without real power.

This is why the public accounts committee asked Revenue Canada to join the work of the advisory committee put in place by the Department of Finance. This advisory committee is supposed to establish the work plan and discuss the evaluations.

The Comptroller General has also been invited by the Department of Finance to sit as a representative. The public accounts committee expects the Comptroller General to report to this committee regularly.

Parliamentarians must be informed. Bureaucrats must respect the guidelines established by the Treasury Board. Departments must comply. The Comptroller General should make sure that these guidelines are all respected.

If we allow the Department of Finance not to respect the guidelines the message sent to the other departments will be wrong. We fear that the example set by the Department of Finance could be something that would be repeated in other departments and I do believe would lead to a very serious situation in terms of the government's control over public funds.

The Department of Finance plays a major role and has a lot of influence in the working of the government.

A precedent could be created by this department. Other departments might be tempted, as I said, to disband their program evaluations unit.

[*Translation*]

In conclusion, if each department and agency acted like the Department of Finance, we would have confusion and chaos. There would be no more standards and therefore no more controls. Members should rise in the House and sound the alarm and tell bureaucrats and public servants that we want standards, we want controls, we want information, and we want it to be effective and efficient.

[*English*]

The repercussions for all Canadians could be very costly. Parliament could be kept in complete ignorance as to whether, for example, the finance department tax measures are efficient. By adopting this unanimous report by the public accounts committee a strong signal will be sent throughout the government.

I therefore want to thank the members of the committee for their co-operation in presenting the second report and I hope the House will approve of it.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, let me congratulate my colleague from Ottawa—Vanier who, as chairman of the committee, does an excellent job and who this morning explained in a correct detailed way the motion before us that deals with the Standing Committee on Public Accounts, which made recommendations concerning the Department of Finance.

On the issue discussed this morning, I think we must go back a bit and ask why the Department of Finance decided to close something down. You will remember that in 1984, when we were elected, the government was spending $16 billion more every year than it took in, setting aside interest on the debt for now. I repeat that as far as operations are concerned, the government that preceded us spent $16 billion more than it took in. This year our government will spend almost $13 billion less than it takes in, which means that there has been a turnaround of close to $30 billion in seven years. How was this change brought about? How is it that today the government is running an operating surplus when it ran a

deficit before? There have been tax increases, and I believe that all Canadians will agree that those were reasonable increases that account for approximately 30 per cent of those $30 billion. There have also been cuts in the federal government and the public service, which account for 70 per cent of those $30 billion. It is in those cuts, in that 70 per cent, that we find the issue we are discussing this morning.

Right now, we have the same number of public servants as in 1973. We have eliminated 12,000 civil service positions since 1984. These are all factors to take into consideration in the matter raised by the hon. member for Ottawa—Vanier. One of this government's major commitments is to cut spending and thus reduce our debt. As you would do in your own house, or my colleague from Ottawa—Vanier would do in his, reducing spending and thus reducing our debts means making cuts. In the case that now concerns us, the committee is worried about an internal committee of the Department of Finance for tax evaluation. That is the big subject of discussion this morning. I would point out to hon. members, that since his report was tabled in the House in October or November, the Department of Finance normally has 150 days to respond to my colleague's report. Up to now, as he mentioned, I know that the deputy minister has submitted his comments and the department has already put in place several of the proposals put forward by my hon. colleague in his report.

• (1130)

I think that the committee has done an excellent job, and its chairman too, of course. We ought to continue, in this vein, to deal with issues in this non-partisan way for the sake of all Canadian men and women.

Having said this, I disagree with my hon. colleague on one point and that is when he says that because the tax evaluation division no longer exists, all of sudden nobody will know what is going on. I think, that we should go back to the roots of the system and the people involved in it, namely the members of this House. They are the ones who ultimately, decide, tax, financial, social and cultural issues. Members of the House of Commons are responsible for tax decisions and it is also our duty to see to it that over time the tax measures in place that were passed by Parliament are good and worthwhile for the country and for the people of this country. In the end, this is our responsibility as elected members of Parliament.

Civil servants are there to assist the elected members to make decisions. They are there to serve the Canadian public as a whole. I think this is the basic system that we should keep in mind when we look at the matter which my hon. colleague raised this morning.

One of the committee's recommendations had to do with monitoring. As my colleague explained, the Comptroller General's Office will have a representative on the committee which will be set up precisely to look at tax policies. We must not forget that the quality of the work done by the department will be maintained because there are still people there, even though a division is gone, and a review will also be done by outside experts and reports will be published. I believe these are the two key factors that will help members of this House decide on tax matters and on the review of fiscal programs put in place by the Department of Finance.

In conclusion, I want to say that I appreciate the work done by the committee, its members and its chairman. However, it may be premature this morning to make a final decision on the committee's recommendations, because the Department of Finance is still looking into the matter, although it showed good faith by implementing several recommendations of the committee.

The House must give the Department of Finance time to to complete its review and to enable the public accounts committee to keep up its excellent work so that the Department of Finance can also work for the well-being of all Canadians.

[*English*]

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is my pleasure this morning to speak in favour of the concurrence motion of my friend, the hon. member for Ottawa—Vanier.

The motion is with respect to concurrence in the recommendations and the second report of the Standing Committee on Public Accounts. This report deals with the disbanding of the tax evaluation division of the Ministry of Finance.

It is somewhat a concern, certainly to myself, the New Democratic Party and the members of the public accounts committee that the department had to be essentially badgered into seeing the wisdom of a tax evaluation system and finally proceeded with that system. A division within the department separate and apart from the rest has now only after three and a half short years been disbanded very quietly by way of interdepartmental memo.

In defence of the department it has set up another system but one which I would suggest lacks the independence which certainly most of the committee and I would like to see.

We looked at what an evaluation system is and why we are talking about it. It is set up within the Treasury Board guidelines in the program evaluation policy in which in setting out the policy of an evaluation system it says: "The objective is to ensure that federal departments have relevant, credible and objective information available on the performance of their programs and they use that information for the cost effective and accountable management of programs".

The policy statement that follows says: "It is the government's policy to periodically evaluate the continued relevance, success and cost effectiveness, i.e. program performance of federal programs, and use that information to reconfirm, improve or discontinue programs".

In light of that this program within the tax department was ultimately set up. I think if we look further within that document, in table 1 as to the program evaluation issues, we see a number of questions such as: Does the program continue to be consistent with departmental and government-wide priorities and address realistically an actual need? In the basic evaluation issues are the activities and outputs of the program consistent with its mandate and plausibly linked to the attainment of the objectives and intended impacts and effects? What impacts and effects, both intended and unintended, resulted from carrying out the program? In what manner and to what extent does the program complement, duplicate, overlap or work at cross-purposes with other programs?

The statement further says: "In what manner and to what extent were appropriate programs objectives achieved as a result of the program? Are there more cost effective alternative programs which might achieve the objectives and intended impacts and effects? Are there more cost effective ways of delivering the existent program?"

It is within that context that all departments have been asked by Treasury Board to set up and maintain an evaluation system. It is within that context I would suggest that over an approximate eight-year period the finance department was pushed, pulled and badgered into finally in 1987 setting up a tax evaluation system.

I think it might be helpful to look a bit at the history of this pushing, pulling and badgering in getting into the context of why we in the public accounts committee looked so seriously upon the disbanding of a tax evaluation division.

• (1140)

It was way back in 1983 that the Auditor General pointed out that the Department of Finance was the only major department without an evaluation unit. In 1984 he again noted that the finance department had displayed negligence in proposing a research and development tax credit that had cost the taxpayer almost $3 billion.

He was pointing to the fact that had there been a proper evaluation within the department perhaps this bleeding of taxpayers' money would have been cauterized. The wound would have been cauterized and the bleeding would have stopped before it got to such an extent of depleting taxpayers' money into a program that was found wanting.

In the Auditor General's 1985 report he highlighted the problems associated in the Department of Finance by highlighting the remission order given to the Hudson's Bay Oil and Gas Company, once again showing that had there been a tax evaluation system set up within the department it would have been forewarned and not been in a problem that cost the Canadian government so many dollars.

It was in this context that the committee on public accounts suggested the regular publication of a tax expenditure account. It stressed the need to introduce an evaluation function into the Department of Finance that would be separate from the department's policy function. I think we should remember that when we think of what has since happened with the tax evaluation system and how it is proposed to now evaluate the tax measures within the Department of Finance.

Continuing historically, in 1986 the Auditor General recommended to the Department of Finance that it ensure that tax delivered systems were accurately evaluated. He asked that the framework reflect Treasury Board guidelines.

Finally in 1987 the Department of Finance acted on some of those recommendations. It set up a new unit to evaluate the effectiveness of fiscal policies in accordance with the guidelines issued by the Comptroller General.

It had been a long, hard struggle but finally there was a system set up, money was set aside and the tax measure evaluation system kicked in.

It appeared that this system was working well. The people within the department, using their expertise, were able to step back from the policy of the on-line managers and look at systems set in place within Canada in the various tax measures, choose strategic ones, point out errors and mistakes, and ensure that they were properly evaluated so that things such as the scientific tax credit bleeding were not repeated again.

We have concern certainly with the way this was dismantled. In a memo from Ian E. Bennett dated July 15, 1991 he states that the purpose of this memorandum he sent around to his department was to advise that the plans to reorganize the way in which the department performs its tax evaluation function were going to be disbanded. He puts it in the context of budgetary cutbacks. I say now that I have grave doubts as to whether that was the real reason for these cutbacks. The amount of the budget for this tax evaluation division was not that great in the context of the billions of dollars spent each year.

It was well under $1 million for the staffing which had been cut back over the years. In this memo he states: "In an effort to ensure the department's limited financial and personnel resources are deployed in a most efficient and effective manner, it has been decided that future evaluation work will be performed within operating divisions of the branch. The tax evaluation division will be disbanded and every effort will be made to assist those individuals affected in finding suitable jobs in the branch".

I am afraid that is not good enough. After so many years of pushing and trying to get a tax measures evaluation system set up and finally getting one that was just adequately getting started, I question whether the department was really looking at the cost of this matter or whether it was looking at trying to ensure that embarrassing matters that could be delved into and dug up by this committee were not kept under wraps. That is not a good reason for disbanding a system that can unearth or ensure the proper value for people's money, the people of Canada's money.

In fairness, this memo stated that there would be a system set up to evaluate work: "Each operating division will incorporate a program for tax evaluation studies as part of its annual work plan. Preparation of an annual tax evaluation plan will be co-ordinated by the general director, analysis, of the tax policy branch and the completed plan will be submitted to the department's evaluation advisory committee by the senior assistant deputy minister. The evaluation advisory committee chaired by an associate deputy minister will review and approve the annual evaluation plan as well as individual evaluation studies. Finally in keeping with current practices, completed studies will be published and released to the public".

We have grave doubts as to whether this complies with the Comptroller General and the Treasury Board's guidelines. From an arm's length review of the evaluation of the programs within a department it seems to me and certainly to the committee that the independence of a tax review is lost in a system when we use the on-line managers to look at the system and make an evaluation.

Is it not human nature to ensure that things that are embarrassing for you or your department are covered up? Is it not human nature to want to ensure that policies you have recommended as an on-line manager, policies you have set up, are not shown to be inadequate, are not shown to be wasteful or ineffective? It is a reflection, I would suggest, on you as the on-line manager.

It seems to me with this lack of independence you would also get a lack of objectivity of the reporting. Even though it is to go back and be looked at by the director general who is to oversee the evaluation, it seems to me, and this is reflected in the committee report, that the information fed to the director general will be coloured by the perceptions of the on-line managers, those very people who set out the policies originally.

A system that sets out the responsibility to evaluate the effectiveness and the efficiency of the fiscal policies of the department and the government, a system that looks to those same officials who developed the policies, runs the risk of getting us into a conflict situation, a conflict of interest as I have already set out. I think we have to be very cautious of that. That is why I believe the committee and I personally are so upset at this cavalier throwing off of a responsibility.

• (1150)

It has also been pointed out by the member from Vanier that it is first in and first out. First of all, it was unfortunate that they took so long in getting an evaluation program but it is worse than that now that they have taken it away. By doing that, they have shown that they can turn their back on Treasury Board and on the Comptroller General and simply say: "We do not want an evaluation program". Here is a major department with $400 million that goes through every year that has successfully been able to turn its back on the guidelines, to turn its back on the Comptroller General and say: "We do not want a system of evaluating from without. We will do it from within". What is to prevent other departments from doing the same thing?

The Comptroller General assured us that he would not let that happen and yet what power does the Comptroller General have not to? The power lies within the departments to set up their programs. The Comptroller General does not have the power to stop them from cutting out the evaluation system. That is my fear. With one of the majors getting away with it, others who decide to save a bit of money will say: "We really do not have to do that because finance has shown us we do not have to do it". They will turn their backs on evaluating their systems. I think that over all that could have a devastating affect upon government programs, upon what we get as the public, upon what we get as members of Parliament on the information of the programs set up within our various departments.

We in the public accounts committee take our job very seriously. All sides of the House have worked hard within that department. They have looked at the systems. They have looked at whether the program within the systems were valid. I have worked in concert, over the two years that I have been a member of the public accounts committee, with the Auditor General in trying to see whether the people of Canada are getting value for their money within the government and within the various programs.

When you have a department that makes it difficult for the public accounts committee to do its job, you have a department that will not work within the system and the guidelines set out. You have a department that tends to ignore some of the requests and the recommendations of not only the Auditor General, but a parliamentary Standing Committee on Public Accounts. It does not bode well, I believe, for the future of the programs.

I have set out some of the concerns and the Comptroller General has said in evidence before the public accounts committee that he does not sit in judgment yet on the system that they have set out and I have outlined briefly from the memo within the department. He is willing to give it a chance.

I have set out a couple of things that have concerned me and have concerned the committee. There have been some efforts to go part way in meeting some of the concerns of the committee by the finance department.

I think the thing that would make me happiest, and I am sure that the members of the committee would agree with this, is that the policy guidelines set out within Treasury Board were followed. In fact there was set up within the tax department an independent body uncon-

nected with the policy makers who could look at the systems.

I implore the department and this government to look at that over the next while and reconsider where they are going. It is important when we have a department in charge and dealing with as much money as this department that we ensure as taxpayers in Canada that those systems work. They should work within the context of how they were set up to work and in the context of giving value to people for money. We should ensure that they do not cost the Treasury of this country, particularly during a time of restraint and recession, billions and billions of dollars because of some people within the system who are protecting their jobs and their backsides because the programs have been inappropriately set up.

I urge the House to pass this motion of concurrence to send a message to the Department of Finance that this House will stand by its public accounts committee and that all departments should pay attention to the recommendations of the public accounts committee.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I do not intend to take a whole lot of the House's time. Members may or may not know that this is the subject matter that I taught at university. I had the honour some time ago, in the first two or three years after my election, to be the keynote speaker at the founding conference of the Evaluation Research Society of Canada which brought together professionals in this field for the very first time. It is a group that has grown in terms of its influence. It is a group that has grown in terms of its knowledge. The methodology today is I believe a great deal more advanced than it was some 10 years ago.

If you want to go back far enough in my own professional career, I was engaged in evaluation research activities as a graduate student in a doctoral program in the late 1960s and subsequently in the early part of the 1970s. I did an awful lot of evaluations in this country and some of the first that were ever done for the Government of Canada, in particular for the Department of National Health and Welfare.

The Department of Employment and Immigration I guess was larger. The one I remember with particular joy was in health and welfare, but there were some for the Privy Council Office and other bodies of government.

I guess I felt compelled to speak this morning because of the subject matter and the reality of the nature of this place. I have not heard a word of praise for the current government being in office seven years and for putting an evaluation research program into the Department of Finance. He did say it happened in 1987, but he did not say it with praise as the chairman of the public accounts committee. The place would work a little better if praise was praise and blame was blame and each was articulated according to reality.

The previous government that the current chairman served did not do it. The trigger I guess was the scientific research tax credit which was mentioned. That was a loss of tax revenue of $3 billion or $4 billion because people did not evaluate the consequences of the tax before they put it in. It happened so fast and the leakage was so great that the world has never been quite the same since.

If I were a methodologist looking at the committee report, I would see a committee which has a great deal of difficulty believing the evidence it gets from the Comptroller General as well as the Department of Finance about what it has done and what it intends to do.

• (1200)

It acknowledges that the evidence coming from those sources is different from what the committee report is perhaps concluding. It clearly runs roughshod over those. But perhaps it is more important that the report concluded on November 1, some five weeks ago, and that it wants government to respond in a comprehensive manner.

That is what the parliamentary reform package that our government brought in, in 1985, was designed to do. It was designed to give committees the power to conduct the investigations of their choice, to report to this House and to compel government through the rules to respond within a period of 150 days.

All that is legitimate and all that is appropriate. What is not appropriate, I believe, is that members are forced to stand in this House in December, five or six weeks after the report was presented to the House, and debate for two hours the subject matter of the report.

The appropriate time to debate is after the comprehensive report. Then members would have the committee's point of view, the government's point of view, and we could engage in real dialogue. We are sort of blowing by that opportunity with a premature motion for concurrence.

We are asking the House to concur in something that it has not had an adequate response to. We are asking the House to vote for something that it does not know enough about. I think that is inappropriate. That is what is wrong with what is happening here this morning.

We do that from time to time. Every time we do it I think it is wrong. When we move too quickly for concurrence in a report, especially one that deals with difficult and technical subject matter, then we are cheating the Canadian taxpayers out of the kinds of concerns and considerations that we are obliged to provide them with.

This should be a Chamber of serious thought, of serious reflection and of serious debate. If we have no other point of view on a subject matter as important as this, we run the risk of reaching some bad conclusions. It is guaranteed. It is not a risk. It is guaranteed that the time we take in debate costs lots of money. Every hour this place operates is a very expensive hour. Do we spend it on this subject matter, that subject matter, or the next subject matter? It depends.

The chairman of the committee has decided that today we shall spend it on the second report. I simply say to the chairman in the future that he should reflect a little more. If he wants the House to debate the matter and if he wants to move concurrence, then he should not ask for a comprehensive government report unless he intends to not move the actual concurrence until that report is part of the House.

The report may indeed be perfectly satisfactory to all members, in which case two hours of House time could be saved and that is several hundred thousand dollars.

This morning we were talking about committee travel for the public accounts committee itself. We could not have had this two-hour debate today and there would have been enough funds saved to send the committee to Washington several times. We would still have saved the taxpayers of this country money. We make choices and some of them are better than others.

I want to mention just a few words out of the report itself because they have not had what I would consider to be the proper emphasis. Let us remember that the report is unanimous. This is the third paragraph of the report. The opening sentence reads:

> Program evaluation is all the more important in the current context of budgetary restraint since resource optimization is now obligatory.

I have sat through Question Period in this Parliament for over three years and this is the first documented case in which the New Democratic Party and the Liberal Party of Canada signed a document saying that financial restraint is now obligatory. Is that not marvellous? I wonder if we will see that in Question Period today. Get up and ask about this obligatory restraint.

Mr. Gauthier: I know what the answer is going to be.

Mr. Hawkes: You know what the answer is going to be. For instance, is the chairman of the committee going to ask the Minister of Finance or the Prime Minister what the deficit situation is today compared to what it was, and then give the Prime Minister a chance to say that when the Conservatives came into office after those bad guys, the Liberals, were in office for so long the Conservatives had to borrow $16.1 billion? That was $16.1 billion simply to assist in the provision of programs and services in this country and that was in 1984.

As a result of this obligatory spending restraint we are in the position today of having a surplus of $12.7 billion on programs and services that we can apply to the interest on the public debt.

We inherited a situation in which we were borrowing $16.1 billion for programs and services, plus every penny for interest on the public debt. We have turned it around in seven short years into a surplus position. There is no other turnaround of that magnitude in the western world.

How did we do that? It was because we were attuned. Members on this side of the House, chair after chair after chair, desk after desk after desk, committee after committee after committee, brought to this House a concern for practical common sense management. That is what program evaluation is all about. It is about looking at a situation and asking: "Are we wasting money or are we spending money wisely?" It is a belief that pennies add up to dollars, dollars add up to $10, $10 add

up to $100, and $100 adds up to $1,000. Out of thousands of dollars come millions of dollars and out of millions come billions if you start to look at your world.

You do not waste two hours of House time on a premature motion, that costs hundreds of thousands of dollars. You do not ask for a report from government that costs hundreds of thousands of dollars unless you want it because you believe it is going to have information that is worth while getting. You spend the money on a report, then you request more spending, and then you want a debate before the report comes in that would tell you whether you needed the debate in the first place or the situation was under control.

That is the Liberal–NDP way. It is all sort of show and tell, with not much practicality to it. How on earth did they get the taxpayers of this country into the mess of borrowing $16 billion for programs and services, and every penny for the debt? That is bankruptcy. This country was bankrupt in 1984. We have worked hard for seven years to change the financial situation, and it is working. You have to stick with it.

Some hon. members: Oh, oh.

Mr. Hawkes: They laugh. That is their attitude to borrowing $16 billion and putting the burden of debt on their children and their grandchildren and their grandchildren's grandchildren. They have no shame about that. They live in an invented reality. We saw this invented reality yesterday at the end of Question Period, and it seized this Chamber for 30 minutes at the beginning of today. They believe it because they repeat it to each other.

An hon. member: It was there.

• (1210)

Mr. Hawkes: You cannot hear something that was not there. What portion of the caucus are embarrassed by this whole thing? They know when they evaluate the situation, evaluate their own experience, that there are some very good people on all sides of this House, all corners of this House and they are embarrassed. They are embarrassed by a runaway mentality that goes beyond the facts. That is how you get bad public policy and that is why program evaluation is important.

That is what I taught. I taught graduate students for a number of years at university. The lesson is simply to apply a social science methodology, the scientific principles and the scientific method, to the information needs of decision makers and evaluate to provide better quality, reliable and valid data to decision makers.

The biggest problem we have in this country, I have said it before and I will say it again, is that the media has no such standard for reliable and valid information. The media feeds on rumour and innuendo.

I saw an article in this morning's *Toronto Star* that began by using the words: "Angry Prime Minister" in the first paragraph. I do not know, but I will bet dollars to donuts the author of that paragraph was not in the Chamber. There were only eight press people out of the 350 that draw paycheques in this town in the whole Chamber.

Mr. Whittaker: Mr. Speaker, I rise on a point of order. It is with some temerity that I interrupt the hon. member in his comments. However, I was under the impression that we were on a concurrence motion on the public accounts committee's second report. It seems to me that the hon. member has strayed substantially from the report.

The Acting Speaker (Mr. Paproski): I think the hon. government Whip is coming right back to the relevance of the motion. The hon. government Whip.

Mr. Hawkes: Mr. Speaker, a logical chain of evidence and illustrations of a point of view is a foreign concept to a lot of members of the NDP party. They do have trouble following scientific methods because they live in an ideological world where ideas pop out of the sky and do not necessarily have to be related. They can be disjointed. There is a kind of comfort over there.

I have been here some 12–odd years and I have watched it. I am comfortable with the notion that it happens even though it does not please me.

What I am saying is relevant. Let us go back to the portion of the paragraph I read which all members signed, including the members who spoke: "Program

evaluation is all the more important in the current context of budgetary restraint since research optimization is now obligatory".

That says that we make good common sense decisions based on accurate information. That is how to get the best bang for the buck. When we listen to headline writers who are never in this Chamber we should be warned that it is bad quality information. Every single person who writes headlines in this country is not familiar with the context. They are trying to sell newspapers, not pass on information.

When people write paragraphs about who looks angry in the context of a front-page news story, and they were not even present, they are writing fiction or hearsay information. I will bet dollars to donuts.

I read the statement of the member for Winnipeg North very carefully. I listened to him when he spoke on decorum in this House. I listened very carefully because it was an excellent, first rate presentation by a relatively new member. He never said in *Hansard* that he heard anything. He has never said anywhere else, as far as I know, that he heard anything. He was told. He rose on a point of order because of something somebody else told him.

You can see it visually and you can see it in his own words. Then we can get to some sense of reality, some sense of accuracy. It was impossible to hear what is alleged to have been said because it was never said. However, people listen to each other, rumours get started, and rumours get perpetuated.

It is part of our problem in this Chamber. If we are going to criticize maybe I can ask the chairman of the public accounts committee when we are going to get a report from the public accounts committee recommending that the House of Commons have an evaluation research unit to look into some things, for example, how much money some Ottawa area members spend on travel in their own constituency which came out in public accounts documents yesterday. It looks obscene on the surface. There may be a good explanation. Maybe we should have program evaluation research in this unit, in this place, if we are going to say that we need it in lots of other places.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I just want to put a couple of questions to my friend and colleague. His prior incarnation was as a psychologist. I think he still practises the trade on us sometimes.

As I listened to him today there was a mild criticism of the fact that the committee moved concurrence in that report today. The member for Calgary West says the government has not had a chance to study the report or to reply. We all know that it will reply within the required time, which I believe is 150 days.

I want to make the point to him that the government, in the person of the Comptroller General who is a public servant under the Treasury Board, came to the committee and told us that this action was taken by the Department of Finance very quietly and secretly in the summer without even telling the Comptroller General. We were quite quite taken aback by this practice.

The Comptroller General came into the committee and said: "It is not my preferred option". We thought he was speaking for the government. At least I believe he speaks for the government. I believe he acts and looks after the interests of all Canadians as a servant of Treasury Board and therefore as a servant of the government.

I do not think the criticism that this report was moved today rather than 100 days hence is a very valid criticism. I think the member should use some creative thinking here. We are trying to stop other departments from copying what the Department of Finance did. Copy-cats do exist. We do not want the Ministry of Fisheries and Oceans, Revenue Canada, Environment Canada or any other important department—and there are is a whole slew of them—to avoid this controlled program, controlled by the Comptroller General and by Treasury Board, of evaluating their programs.

That is the first point. On the other, he challenged me to ask a question in the House today. He knows that I would love to ask a question in the House today because there is a very serious reservation made by the Auditor General in the Public Accounts of Canada—not by me, not by a House of Commons committee but by a servant of Parliament—to the effect that if we accepted his recommendations, those reservations that the Auditor General has in the Public Accounts of Canada, the budgetary deficit for this year would be $2 billion over and above what the government says it is.

I will quote directly from the Auditor General's opinion: "If the government adjusted the financial statements for the matters reported in these reservations, the

reported deficit for 1991 would be increased by up to $2 billion". That is not peanuts, that is a lot of money.

As I said yesterday, the government is cooking the books. We believe it is. The Auditor General says the government is not keeping accounting procedures and methods that are used in the private sector.

Why is it possible for public persons in public life, with public funds, to do things with those funds that in the private sector, with private funds, they would not be allowed to do?

• (1220)

If the finance minister, in his former incarnation as a car dealer, had used the kind of bookkeeping that he is now using with public funds he would have probably been pursued by Revenue Canada and would probably have been sued and put into some kind of clink because you cannot do that in the private sector. Yet we are doing it in the public sector. That is what we are trying to bring out.

Mr. Hawkes: Mr. Speaker, what an opportunity. My heavens, that member stands in this place and complains about the way we keep the books after I was in this Chamber with him in the 1980s when any resemblance between what the finance minister said in this place and reality was purely an accident, coincidental and non-sense. This is the group of people who took the whole UIC deficit out of the Public Accounts of Canada and shoved it off in the corner so they did not have to report it to Parliament.

This is like the pot calling the kettle black. This goes so far beyond belief that it defies any sense of credibility. I almost cannot deal with it because it is so obscene and so over-exaggerated.

He forgot praise where praise is due. Last year the Auditor General said: "This is an accurate statement of the Public Accounts of Canada". That is the first time in anybody's living memory that he was able to do an audit without notes. This year he is saying you reported everything. That is the piece missing in what the member says. You reported everything to him and you just sort of shifted the years a little bit as to how you were going to account for it, but you gave us all the numbers. You did not take the numbers and shove them under the bed and throw them out the kitchen door. You gave us all the numbers and that is very important.

He then says: "We do not want the other departments of government to do what finance is doing". That is the Liberal way.

Do you know what finance is doing, Mr. Speaker, what got him so exercised as chairman of the committee? It is saving overhead money. It is reducing management and leaving the money for the evaluations. It is not paying so many people to push paper around and sit at desks.

We want every department of government to save money. We make no apology for it. We want them to save money and to reduce overhead. We hope they copy the finance department's move in that direction. We will even give them a little bonus from time to time if they save us $100 million or $200 million. We will give them an extra $3,000 or $5,000 on their salary cheque at the end of the year because we think that is good behaviour and we would like to reward it, and we make no apology for it.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, I listened with a great deal of interest to the comments that were made about the way the present government has handled the finances in this country since 1984 and I had some difficulty with some of the things that had been stated. Those difficulties really come down to a basic premise of what the truth is in comparison to, I guess, what is being stated.

I can read back in the records and I can check with Mr. Wilson. I have a note from his office which stated: "We were in the area of a $180 billion debt when we took office. We are now at $400 billion". The Conservatives in fact have doubled the debt through their great management. They use a silly thing about talking about $3 billion interest. That is not true. On $160 billion or $170 billion which they inherited I agree there is no way that it was $3 billion in interest. It is $3 billion and $4 billion because of the spending they have done.

The other point that has been alluded to all the way is the fact that they have brought about at least a 40 per cent increase in taxes over their period. When we start looking at that huge tax increase they say how much better they are running this economy.

We look at tax increases which are just abominable, the debt which has been doubled, unemployment which is skyrocketing, and we are now putting caps on programs.

The Acting Speaker (Mr. Paproski): If the hon. member wants an answer for his question, he had better put it.

Mr. Pickard: How can he say with a straight face that he is a reasonable manager? How would he even admit to being a manager at all when he realizes the financial crisis it has put this country into?

Mr. Hawkes: Mr. Speaker, every time a newcomer to the Chamber opens their mouth, some of us who have been around a while are really tempted to give them a piece of history which the chairman of public accounts will know.

We were a government for nine months and we got defeated. The total accumulated debt in all of history, just for the member's interest, in the 1980 election was $68 billion. Four years later it was $220 billion.

An hon. member: Now figure the interest on it.

Mr. Hawkes: Mr. Speaker, do you want to just do the percentage increase that the Liberal Party managed in four years?

How did you get so quickly from the balanced budgets in 1971–72? You had the current leader of the Liberal Party who was the finance minister for a little while and, man, was that a disaster. That was an unmitigated disaster.

But $68 billion to $220 billion is an increase of 200 per cent in four years. That is a 50 per cent increase annually in the accumulated national debt of this country.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I welcome this opportunity to comment on the public accounts committee report on the disbandment of the Department of Finance's tax evaluation division.

I listened very carefully to the speeches made by government members this morning and found that they were ridiculing the parliamentary system as a whole and in particular the principle of evaluating the work done in this House of Commons and the decisions made here.

The Minister of Finance has waited until 1987 to set up a committee—

An hon. member: A division.

Mr. Bellemare: —or a division responsible for evaluating the department's programs. We know that the Auditor General had been recommending since 1983 that the department set up a program evaluation committee and, in fact, considered it absolutely essential. The following year, the Department of Finance introduced a tax credit system and estimated, not through an arm's length evaluation, that the loss in tax revenue would be roughly $100 million. We know that this loss in fact amounted to $2.3 billion.

I listened to the Parliamentary Secretary to the Minister of Finance, the hon. member for Trois-Rivières, who says an evaluation function does exist within the department. If there is one, it is not independent. We are going back to the problems we had in 1983–84, the problems raised by the Auditor General, when individual evaluations were carried out, not at arm's length and without using accepted procedures. That is how you put the country in deep financial trouble.

The hon. member for Calgary West had fun trying to take to task opposition members, particularly the newer ones.

• (1230)

He tried to make fun of us. He tried to be funny. I think the hon. member is irresponsible when he tries to laugh off what is said by new members of this House. He mentioned our national debt of $400 billion. He says it was the Liberal Party's fault, and that in 1984, when this government came to power, it had a debt of about $150, $170 or $175 billion. The figures seem to change every time a minister or a government member rises in this House! The debt was certainly around $170 billion, according to the government's former Minister of Finance.

They always say it is the Liberals' fault. They say they inherited a debt of around $175 billion in 1984 and that it is now up to $400 billion because of the interest on the debt. I think the government's economists tend to forget their mathematical and historical facts.

We must not forget that if we had a debt of around $175 billion in 1984, that debt was not only a legacy of the Liberal Party but also of two previous Conservative governments. Mr. Clark's government added to the debt, as did Mr. Diefenbaker's. If you want to check, look at

the government's financial reports since 1950. We can even go back to R. B. Bennett, who had an unsettling effect on Canada during difficult times, times when the Conservatives were in power.

The Parliamentary Secretary to the Minister of Finance and member for Trois-Rivières said the government had to save money, which is ludicrous when we realize that when his minister introduces a program, whether it is the GST or another tax program—since 1984 they introduced 33 different taxes—we know that every time they go and see their friends.

[*English*]

That is in the public relations section. It establishes its public relations programs and spends on books that are sent out to the whole community which say how good it is to be taxed by the Conservative government. It spends $25 million or $30 million on publications advertising that people are going to be taxed. Is this budgetary restraint?

Is it budgetary restraint when all the newspapers in Canada, no matter what the size, explain very thoroughly what the taxation is all about and what the latest details are on the taxes and so on? All the media discuss it. The present government talks about budgetary restraints and yet it will waste millions and millions in publishing and advertising its tax. It is trying to candy coat the tax situation to the public.

[*Translation*]

I think that is absolutely incredible! The talk on the government side is about saving money and budget cutbacks, but the fact is that they are constantly wasting money.

Every time we discuss the national debt or the deficit—we were talking about this earlier—they overlook the fact that their average annual deficit since 1984 has been around $25 to $30 billion. Tory members who brag about their skills as financial administrators are on very shaky ground, considering the fact that they spend more than they collect in revenue every year. They rise in the House to talk about budget cutbacks and financial constraints, and meanwhile they are wasting money.

As a member of the public accounts committee, I have heard any number of horror stories from our Auditor General. Our two Tory members forgot to mention the $200 million that was supposed to be spent on oil exploration in Nova Scotia a few years ago, but was used instead to build two bridges. Then they realized there were no roads leading to the bridges or leading away from them. Two bridges were built. One wonders why. Next a road was built through a forest, right in the middle of nowhere. Again, why did they do that? Whose forest was it? Did this enhance the value of the forest or of the surrounding land? Good question. In any case, it was a waste of money.

The only gas exploration they could justify was when they gave research funds to the dental arts faculty at a community college. I imagine the teachers found some gas in the teeth of the good people of Nova Scotia. It is ridiculous to hear these people talking about saving money and blaming the Liberal Party and going back seven, eight or nine years, but no more. I would strongly advise the Tories, when they start looking for historic scapegoats, to stop being selective and go back a little further. Go back to Clark and Diefenbaker and maybe R. B. Bennett, and you will really be in for some horror stories.

Mr. Speaker, getting back to the report from the public accounts committee, I must tell you that most of its members are from the government side. We voted on the report because the government has a majority on the committee. The recommendations in the report were not just those of the New Democrats and Liberals. We were a minority on that committee and still are. We did not make up the stories found in the report. It was prepared as a result of the Auditor General's report. In referring to the Income Tax Act which was changed to introduce a research and development income tax credit, the Auditor General mentioned that the department had estimated a loss of $100 million. In reality, it was $2.5 billion, a much larger amount. I am sure that the two members of the party in power will agree that the difference between $100 million and $2.5 billion is not imaginary. It is a mighty big difference. A $100 million loss becomes a $2.5 billion loss. I asked the committee whether they had foreseen this $2.5 billion loss or a $100 million loss

instead. This is what the Deputy Minister of Finance, Mr. Gorbet, replied to me:

• (1240)

[*English*]

"I believe you are reading it correctly and the answer is that we certainly did not expect $2.5 million. I am not sure to what extent we want to relive the past. It was a very expensive past. The only thing I could say, Mr. Bellemare, if you want me to say it, is that I do not think there is any excuse for what happened in that instance and I think that has been acknowledged several times".

[*Translation*]

The Auditor General, again in the report, after the Comptroller General of Canada, who is in a way the government's senior manager of all civil servants regarding financial matters, reports directly to Treasury Board. He is a financial manager so to speak. He told the committee that the disbanding of the evaluation committee and its replacement by a self-review committee was not his preferred approach. It was a polite way of saying that it was wrong.

The general manager himself, the Comptroller General, admits that it was wrong and the Auditor General said that it was certainly wrong. I am still reading from the public accounts committee report. I told Mr. Gorbet, the Deputy Minister of Finance, this:

[*English*]

"Earlier you said that you were not abolishing the function evaluation. Would the Auditor General care to add some comments to that?"

[*Translation*]

And the Auditor General, Mr. Desautels, replied:

[*English*]

"As I said in my earlier remarks it is a department's prerogative to organize the function as it sees fit. There is no doubt about that. What they seem to be doing is to be moving toward what I would call a self-review approach as opposed to having a fully independent, autonomous group to do this evaluation. This is not my preferred approach".

[*Translation*]

And he echoed what the Comptroller General had said:

[*English*]

"I think a move toward self-review has some validity but there has to be an element of sufficient independence in the process to make sure it meets the initial intentions".

First, I think that is definite. I think this is quite clearly a definite reduction in the independence of the process.

[*Translation*]

And the key word here is independence of process, something the hon. member for Trois-Rivières failed to mention in his speech this morning. He said that an evaluation function currently exists, but he was wrong not to admit that it was not an independent one.

That is precisely what we are asking for.

[*English*]

"There are other possibilities as well. For instance there could be a somewhat reduced level of effort", said Mr. Desautels. If the independent evaluation process is discontinued, after a while, we will not want to evaluate our own programs any more. It was very interesting to hear government members this morning talk about the national debt and their expertise in management. But they never set up a debt management evaluation committee, and the debt keeps growing. They spend their time whining, moping and complaining that the debt is going up every day and it is always the fault of the Liberals in the 1970s and 1980s. As a new member, I ask them where their debt management evaluation committee is. If you are such good managers, where is the debt evaluation committee?

The two members said that money should not be wasted.

[*English*]

The Acting Speaker (Mr. Paproski): The hon. member's time has expired, but there will be questions and comments.

Mr. Bellemare: I will not be long.

The Acting Speaker (Mr. Paproski): I will let you finish, then.

[*Translation*]

Mr. Bellemare: Thank you for your generosity, Mr. Speaker. I appreciate it, so that I can complete my remarks.

Trying to save $250,000 by cutting this committee will not really save money. We want to avoid wasting $2.5 billion again. Do not eliminate small expenses and then not apologize for the big debts you are creating.

[*English*]

Mr. Murray W. Dorin (Edmonton Northwest): Mr. Speaker, I think this is a good debate we are having today. It perhaps would have been better if we could have done it under different circumstances.

I would like to address a matter that is in this report and which was also raised immediately after the Auditor General's report last week. It was the question of the billion dollars with regard to the public sector pension plan for public servants.

The problem is that in accounting, as in many other professions or occupations, there are sometimes different ways of doing things. We do things a little differently than in the United States. The public accounts committee, I understand, as of today is going to be visiting the United States to look at its accounting practices. It will find that the United States does not write down in its books any amount for pensions for its public service that it might have to pay in some future year. It only worries about the ones it has to pay that year. We would call that cash basis.

The Auditor General has said in previous years that his preference would be that we should add all these numbers in. We do not have to have the money this year, today, but we want it in the future. We may need it in the future and so we should add this in. As a result of that, we have deficit this year that we record as $30 billion. It is not really $30 billion in terms of what we have to borrow. It is only $20 billion. The other $10 billion are these things we write down for the future.

If we took the assumption of this year's Auditor General on the question of the tax treatment of retirement saving which is referred to in this report we are debating here today, he has said that if the money had been put in the stock exchange we would be about a billion dollars ahead. That may be true but what is also true is that the money would have had to come from somewhere, either presumably by raising taxes during that time or by borrowing it.

The question is: Would we have been better off doing that? I guess the point is that there can be a debate. In this case I think the Auditor General is wrong. I think the other approach is better. I acknowledge that there are two approaches.

The question arose earlier in the debate by a previous speaker about why we do things differently sometimes in government than we say the private sector must do. The reason for that is that this is the public sector. I do not believe the rules for the public sector should always be the same as the rules for the private sector.

If I could just give one more example and then have the member comment, we pay our employees just like the private sector does. Then we collect income tax from their paycheques, just like the private sector.

One could legitimately ask why we bother. It is kind of going out of one pocket and into the other. We pay them a salary and then we deduct income tax. Does the money really go anywhere? The answer is no. When we do the same thing in the private sector the government collects the money and it comes to the government.

In reality, what we are arguing about is whether one way of doing things is better than another way. There is room for legitimate differences of opinion.

• (1250)

If the committee goes on this trip to Washington, I would ask the hon. member if it would then examine the issue of the tax treatment of retirement saving and how accounting in the United States is done for that. Presumably that is one of the things it is going to do when it examines the U.S. accounting methods and comes back with a report as to whether it prefers the Canadian way or the U.S. way.

[*Translation*]

Mr. Bellemare: Mr. Speaker, certainly if I am invited by the American government to see how they operate in the area of public accounts and government auditing, I will be pleased to go and find out. Perhaps the government should send a huge delegation. Many Conservative members should go for their professional development.

I noticed that the hon. member suggested to the House how the question of pension funds should be handled. I must tell him that we should use the method recommended by the Auditor General. I must say I find it interesting that every government member who has spoken has changed the subject. The subject today is public accounts and the report concerning the dismantling of the evaluation committee of the most important department in Canada, the department that handles billions, not millions, but billions of dollars. It is the same department that is often, if not always, driving our nation to bankruptcy. I would suggest that the hon. member stick to the subject, unless he has problems with that.

For the hon. member's information, I would like to read a summary of the committee's recommendations.

> —The Committee recommends that Senior officials from Revenue Canada be invited to participate on the Advisory Committee, in order to have some influence on it, and asks that it be kept informed of the work plan for future years.
>
> —The Committee proposes that the following tax measures be evaluated by the Department of Finance: The GST, the new tax treatment for retirement savings, the tax treatment of capital gains and flow-through shares, and the Canadian Exploration Incentive Program.
>
> —The Committee would like to see the publication of an annual accounting of tax expenditures as part of the budget process.
>
> —The Committee expects the Comptroller General to report to it regularly, in order to determine Department of Finance compliance with Treasury Board directives requiring periodic evaluation of all programs.
>
> —In order to avoid setting a precedent, the Committee recommends that, before any dismantlement, there be more consultations between the departments and the Comptroller General, and that the process be more transparent.

[*English*]

Mr. Darryl L. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I too am pleased to be able to participate in this debate on concurrence of the report of the Standing Committee on Public Accounts.

I listened with great interest to my hon. colleagues across the floor as we debate the concurrence motion for the report. However, I also listen with interest as we banter back and forth as to who is really accountable to the Canadian taxpayer. I think that if we asked ourselves the question, it is this House of Parliament which is directly accountable to the Canadian taxpayer.

I would like to use overhead as an example, very briefly, as I notice the time is passing quickly.

We talk about overhead, as has been mentioned by government members, for the tax evaluation function. Since I began my career in federal politics in 1984 I found and still do find it quite disturbing—and I would assume that I speak on behalf of most members on both sides of the House—that with 295 elected members across this great land of ours and with in excess of 300,000 bureaucrats I do not know who actually runs this country.

I listened with interest to the chairman of the public accounts committee. I congratulate him and his committee members for the fine work they have done. I think probably one of the main results of the McGrath commission was to give more individual members more say and power in the functioning of the government. I have some difficulty with what the report recommends—and other members have said it—that in terms of accountability and the tax evaluation function we should perhaps add more bureaucrats.

Do not get me wrong. I do not intend to say that bureaucrats are evil. Bureaucrats are not evil. They are people we need as elected members, people who must be there to carry out programs and the ordinary everyday functioning of the government.

The McGrath report recommended that we should be able as backbenchers, as ministers, as parliamentary secretaries, to speak and say what we feel and what we think and be heard. If this McGrath report is to be held in the esteem that I know all members hold it in, the public accounts committee is entitled, as it has done in the past and I would assume will continue to do in the future, to invite as its witnesses, the top management, the Auditor General and the Comptroller General. These people are and must be at the disposition of these committees, not only the public accounts committee but all committees and all departments so that the elected people can request and question information that is so vital to our proper functioning.

I listened also with some interest as we went back to R. B. Bennett. Unfortunately I have not attained the same age as my hon. colleague from Ottawa—Vanier who spoke previously. He talked about who the culprits in our national debt were. I received in my office last evening

from the Government of Canada a very interesting little booklet *Where Your Tax Dollars Go*. I would recommend it very highly to the members opposite, as I would to all Canadians.

If we look on page 5 as we discuss the debt treadmill we see for 1984–1985 the national debt at $206 billion; interest from 1984–85 to the present day, $238 billion; and government operating surplus since 1984–85, $25 billion. Let us just look at these three figures. There was a $206 billion debt run up by previous governments. Historical records show that the bulk of $206 billion was in the hands of the Liberal government: $206 billion plus $238 billion is $444 billion. If we subtract $25 billion in government operations or operations surplus, if we read these figures correctly, it shows that in actual fact since the Conservative government came into power the $206 billion debt is not $206 billion: it is $181 billion.

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

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

IMMIGRATION

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, I would like to bring to the attention of the House the case of Ms. Omatee Ramganesh, a woman who came here from Trinidad under the Department of Immigration's domestics program. Her sponsors refused to pay her, insisting she get another job to pay for the privilege of working for them.

[*English*]

Ms. Ramganesh is facing deportation because she technically violated the Immigration Act by finding employment outside the parameters of the program. This violation was not a result of her own initiative, but as a result of the demands of her employers.

I plead with the minister not to make this woman a victim yet again. I urge that he review this file immediately and take the necessary action to remedy the situation.

* * *

NEW BRUNSWICK FOREST INDUSTRY

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, it has long been a source of pride to New Brunswickers that our province represents a model for Canada in more important ways than just one.

This week, in a survey published by *Maclean's* magazine, New Brunswick has again been acclaimed a Canadian leader, this time in both the policy and the practice of forest management.

With sustainable forestry development offering its own potential to be a model for developing Canada's environmental integrity, the New Brunswick experience is a valuable reference for other jurisdictions, including the federal government.

As one who had the opportunity to participate in the early days of the New Brunswick forestry program, I want to extend sincere congratulations to the ministers and the staff of that province's Department of Natural Resources who, over recent years, have been responsible for creating its success.

It is one thing to merely have adequate legislation, but much more important and difficult to transmit forest policy into effective management on the ground. New Brunswick's forestry sector has done that well.

* * *

UNEMPLOYMENT INSURANCE

Hon. William Rompkey (Labrador): Mr. Speaker, about two weeks ago I urged the Minister of Employment and Immigration to change the Unemployment Insurance Act to allow laid off workers to receive unemployment insurance and the training dollars that accompany it before exhausting severance pay and vacation pay and virtually declaring personal bankruptcy.

Steel workers in Labrador City and Wabush, and in similar hard hit communities all across Canada, are not permitted to draw unemployment insurance and therefore are prohibited from access to training programs because they receive a severance package. Yet it is these

very training programs that may be the key to their future.

The minister acknowledged that there is a problem and promised to consult with the business community that now controls the unemployment insurance program, but to date no action has been taken.

The effect of Bill C-21 is to place Canadian workers in a strait-jacket and to deny them the very training programs that the government is currently pushing so hard. Both government and non-government reports underline the need to push training to the top of the national agenda and yet the government's own policy is denying laid off workers access to training funds.

I call on the government to immediately amend the Unemployment Insurance Act to right this inequity.

* * *

RIGHTS OF THE CHILD

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, it has been said that the best and most important natural resource we have is our children.

Two days ago, we commemorated the International Human Rights Day. For several years, the International Organization for Business Resource Development, the Grand Council of Crees, the Four Directions Council and other NGOs with consultative status at the UN have worked very hard on a convention on the rights of the child. They worked especially hard to ensure the inclusion of aboriginal children.

It was great news that the convention drafted in 1989 has now been endorsed by all 10 provinces and by this government.

Consequently, I ask all my colleagues of this Chamber to join me in congratulating the current and former ministers of health, as well as the NGOs involved, for their work in ensuring that all children now have the rights to be protected under international law.

In particular, I ask this House to commend and thank the Prime Minister for his outstanding personal interest and involvement in Canada's formal ratification of the United Nations Convention on the Rights of the Child.

S. O. 31

CANADIAN SECURITY INTELLIGENCE SERVICE

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I rise today to draw to the attention of the House the findings of the Security Intelligence Review Committee with respect to the role of CSIS in the entry into Canada of a member of the terrorist organization RENAMO.

The review committee today issued its report to the Solicitor General recommending that CSIS streamline its security screening procedure to ensure that security liaison officers have access to all sources of information available. The report criticizes the role of CSIS in the 1987 entry into Canada of Francisco Nota Moises, at that time the information officer for RENAMO.

Had CSIS conducted merely a review of the information in the public domain, particularly an 1986 documentary on the CBC *The Journal*, the outcome of the security screening process in this case may have been materially altered.

The report states in particular:"CSIS should re-evalute the current interviewing process and ensure proper research and briefing before interviews take place".

People watching *The Journal* knew more about RENAMO than CSIS did.

I strongly urge the government to follow the recommendations of the committee.

* * *

[*Translation*]

DISABLED PERSONS

Mr. Allan Koury (Hochelaga—Maisonneuve): Mr. Speaker, our government has adopted a strategy to help disabled persons become fully integrated in Canadian society. The purpose of this strategy is to remedy a serious injustice. For instance, disabled persons are among the poorest citizens of this country. The government will spend $158 million over five years to meet three objectives: equal access, economic integration and the full participation of disabled persons in our society.

Economic integration means increasing opportunities for employment and training, encouraging employers and unions to support increased participation in the labour force and providing equal opportunities for employment and advancement in the Public Service.

* * *

[*English*]

AIRLINE DISASTERS

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, today marks the sixth anniversary of the worst air disaster on Canadian soil. To this day, the cause of the crash is not known.

The similarities between the Arrow air disaster in Canada and the Pan Am disaster over Lockerbie, Scotland are striking. Both aircraft left from North Africa taking U.S. soldiers back home for Christmas. Both aircraft landed in West Germany. Both carried out unidentified baggage. In both instances, the eye witness accounts were identical, denoting that there was a pre-crash fire. The similarities end there.

The glaring difference is that for the past three years the FBI and Scotland Yard have been examining every minute piece of wreckage to find the cause in Lockerbie whereas in Canada no such thorough investigation took place.

I am calling on the Government of Canada and the government of the United States to end this shameless disregard for how 256 people were killed on Canadian soil six years ago today and open a new and thorough examination.

* * *

CONSTITUENCY CORRESPONDENCE

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, at 7:55 a.m. a faxed letter from Moosehorn was waiting for me. It read:

Dear Felix:

I do not know how you put up with it. Maw and I were certain the rat pack was dead. Does this Copps and Boudria even give up on their smear stuff?

Mr. Speaker: I wonder if the hon. member could turn this into a Christmas message. It should not be a personal attack.

Mr. Holtmann:

Oh well, times are tough and this Reform Party remind me too much like Oral Roberts or Jimmy Swaggart. Scary. Felix, we're sticken with you and Brian. Have a good Christmas. 92 will be much better.

Bill.

P.S. I like the way you have taken on the big banks. Maw and I are paying the shots and the bankers are getting rich.

P.S.S. I am not letting maw come to Ottawa. She has taken such a shine to your Speaker I am missing most of my hockey games and all-star wrestling.

* * *

[*Translation*]

ROYAL CANADIAN MINT

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, the current strike at the Royal Canadian Mint is a result of the actions of a government that has lost every sense of fairness. The international reputation of the Mint and the quality of its work are a source of pride for Canada, and this is entirely due to its employees. We must not forget that the Royal Canadian Mint makes a substantial profit every year. Despite that fact, the government managed to provoke the employees by offering them a wage increase well below what management was offered, although the average manager's salary is much higher than that of the employees now on strike.

Speaking on behalf of the employees who established the reputation of the Royal Canadian Mint throughout the world, we urge the government to appoint a mediator immediately.

* * *

OPERATION RED NOSE

Mr. Gaby Larrivée (Joliette): Mr. Speaker, now that the holiday season is near, I would like to pay tribute to the work of the volunteers of the Operation Red Nose, especially those in the Joliette area.

• (1410)

Operation Red Nose is a service to take people who have had too much to drink safely back to their home in their own car.

This essential service, sponsored locally by the Federation of Caisses Populaires Desjardins of Lanaudière, covers all of Quebec during the holiday period. It exists

only because of the hard work of its organizers and 350 volunteers, as well as the support of its sponsors.

These volunteers make an invaluable contribution; thanks to them, our roads are safer in this holiday season and we should all be grateful to them for that.

* * *

[*English*]

HEALTH

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, for months I have pushed the minister of health and welfare to review the whole issue of the safety of all breast implants. He said we will have to wait for the U.S. to lead.

The U.S. has led. On Monday a federal jury in San Francisco found that Dow Corning Corporation misrepresented safety tests on all breast implants and led women to believe its implants were safe when it did not have the data to prove it.

The decision found Dow Corning guilty of fraud.

This is the minister's opportunity to take action to review all of the data that has been submitted by all of the manufacturers of breast implants sold in Canada about the safety of all of those implants, to review the life expectancy of breast implants, the incidence of implant ruptures, the impact of silicone on the immune system of implant rupture victims, and the health care requirements of those who became victims of failed implants.

The minister has promised to act on U.S. evidence. Here is new evidence. We are asking will the minister act now.

* * *

TAMILS

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, there is still an urgent need to halt the killing of Tamils in Sri Lanka. Over a year ago Amnesty International issued a stinging report condemning Columbo for carrying out indiscriminate campaigns against Tamil citizens.

The report stated: "Many people have been arbitrarily rounded up, and sometimes killed, on the basis of anonymous accusations of subversive involvement".

I call upon Canada and other concerned nations to persuade Columbo to repeal the constitutional amendment that deprives Tamils of free representation in their Parliament. We must organize a United Nations sponsored commission to investigate the killings and to bring an end to the violence and tragic abuse of human rights.

Also the Tamils in the northern province, especially the Jaffna district, are in dire need of food and medical supplies. People are starving to death. We must offer our assistance.

* * *

TAXATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, those deadbeats in the Ontario NDP government are at it again with their morbid policies.

Not content with killing jobs in Ontario and bludgeoning people cold with tax increases, the NDP is now considering taxing tombstones. What a monumental error. It was not enough that the GST ghouls in Ottawa are taxing funerals. Small wonder our economy is moribund.

No matter how you cut it, Mr. Speaker, this policy is a grave mistake. The NDP tax vampires who plan to tax tombstones should be entombed themselves.

Come to think of it, the NDP is doing a good job at burying itself. And there is another nail in the NDP coffin.

* * *

HOUSE OF COMMONS

Mr. René Soetens (Ontario): Mr. Speaker, 1991 has been an exciting and educational year. For your patience, your guidance, your tolerance, respect for our views, Mr. Speaker, I want to thank you. I want to thank all those who assist you, the deputy speakers, the table officers, the *Hansard* reporters, and others who serve this humble place.

May 1992 be a year filled with happiness and prosperity for all Canadians.

SOFTWOOD LUMBER INDUSTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, this morning's decision by the U.S. international trade commission on the softwood lumber tariff is the start of a new trade war over our forests.

The unanimous decision means that a roller-coaster trade war over our forests has started.

I am concerned that the federal government is not fully committed to fighting Americans on this issue and that it is coasting on it.

The Prime Minister should call a summit meeting of forestry and trade ministers early in the new year to ensure that the federal and provincial governments have a united stand and remain vigilant in defending the sovereignty of our forests.

The government should defend our forests and not sell them out.

* * *

ROYAL COMMISSION ON NEW REPRODUCTIVE TECHNOLOGIES

Miss Deborah Grey (Beaver River): Mr. Speaker, the Reform Party believes that a study of reproductive technologies is essential to the well-being of this country.

It is so important, in fact, that it should not be left to cronies of the Conservative government who may have received patronage appointments for no other reason than they may happen to be spouses of senior cabinet ministers.

The consequence of such patronage appointments has been absolute chaos on the part of the Royal Commission on New Reproductive Technologies. Not only have Canadian taxpayers been kept in the dark as to how the commission's $24.7 million budget is being spent for these appointments, but now three of the commissioners have filed a lawsuit against the chairman of the commission.

It is no wonder this government cannot get its act together to unify the nation. It cannot even get its patronage appointees to agree among themselves.

ORAL QUESTION PERIOD

[*English*]

CHILD POVERTY

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to take the occasion of my first question to wish you a Merry Christmas and to tell you that in your task you have our confidence.

Merry Christmas and Happy New Year, Mr. Speaker.

Some hon. members: Hear, hear.

Mr. Chrétien: Despite all the lively exchanges we have in this House once in a while, I would like to extend to the government members, to the NDP members and their leaders, a Merry Christmas.

I hope that everybody will take a good rest and be in very good shape come February, when we will be back.

Some hon. members: Hear, hear.

Mr. Chrétien: While we are talking about Christmas, I would like to ask the Acting Prime Minister: Is it not a good occasion for us to decide collectively that when we are back together next year, we should work on a program in collaboration with the provinces to permit the children of Canada, many of whom are hungry in schools, to have a breakfast and lunch?

There is a problem with food. We know a lot of children do not eat completely and cannot do their homework because of food problems. We should have a national program, beginning 1992.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I would like to say to the Leader of the Opposition first that the Prime Minister will be in the House in about 15 minutes. He has been delayed in his office.

Second, with regard to the children's program, I believe a couple of times in the House I answered that question. I said that we are now working on a strategy for children that we hope we can unfold maybe some time in February when we will try to deal with the main problems facing children in Canada today.

Of course, it is a very complex issue which cannot be solved exclusively by programs coming from the federal level. The Leader of the Opposition knows very well that it is a provincial matter, or regionally first. We have to deal with the provinces, but I believe with the help of the provinces and with the resources that we will have at our disposal at the time, we will try to put forward a strategy which will deal the best we can with the problems of the children of Canada.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I am glad to see the minister's good intentions. However, I would remind him that the Montreal Catholic School Commission already has such a program and even in Montreal, children are given their exams early in the month, because at the end of the month, they no longer have the physical strength needed for their school work. I therefore ask the minister to consider these problems, and we will be ready to co-operate with them, so that the children of poor families in Canada can go to school, because these children are our country's future. We must help them train their minds in an appropriate setting so that they can take their rightful place as the next century begins, as the best prepared to face global competition.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I think that the Leader of the Opposition is right to be concerned about the problem of child poverty. I think that everyone deplores that problem, but we must realize that children have many other problems besides poverty.

• (1420)

I believe there are problems of sexual abuse, problems of family violence, problems with street kids. All these problems are or will be considered in the strategy.

I want to tell the Leader of the Opposition that the problem with children also goes beyond the issue of simply being able to deal with the problem of poverty. And I believe that the hon. member is also aware of that.

I would also like to tell the Leader of the Opposition that yesterday we talked about the rights of children and I do not think that today we can discuss the rights of children without also talking about the obligations of adults. The program or strategy unveiled by the government will also take into account some mechanisms to make Canadian society more aware of the problems of children, which go beyond the problems of poverty.

[*English*]

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the acting Prime Minister and concerns today's report on Poverty.

The report released today on child poverty by government members stressed, and I quote: "The federal government has a role to play in providing an economic training and job creation environment that will provide families with sufficient income to enable them to feed their children".

Will the government now admit to the total failure of its fiscal and family policies? Will it finally turn a new leaf and give Canadian families a break?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I obviously disagree with the question of total failure of policies. Of course there are too many children in Canada who are under the poverty level. At the same time I believe that when we put $15 billion into all departments of government that we manage, I believe we are doing something. It is never enough. Everybody agrees with that. At the same time, we have to put in more money.

As I said in French before, we have to take into account the the problems of children in Canada. I want to congratulate the committee which did wonderful work in dealing with the question of children and poverty. At the same time, the committee refers to much more than just the question of putting more money into the system. I believe that the money does not speak to the problems children have in Canada.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my supplementary question is for the Minister of Labour.

One question which the committee refused to deal with is the question of minimum wage, yet the quickest way to address the needs of some of the poorest families in this country is to increase the federal wage.

When this question was posed in the House over the last two years, the minister repeatedly said that he is studying it.

Will the minister please inform the House that he is willing to stop studying this and give an immediate increase to those Canadians covered by the minimum federal wage, which is now the lowest in the country?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, as my hon. colleague would know, there are very few people working at the minimum wage at the federal level. Most people who work at the federal level earn much more than the federal minimum wage.

In any case, I have made a recommendation to my colleagues to increase the minimum wage and I am convinced I will be in a position to do so in the new year.

* * *

CORPORATE TAXATION

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, a few weeks ago Consumers Gas temporarily shifted $275 million of its debt from commercial paper into bankers acceptance notes, which for some reason are not subject to the large corporations tax.

The company's treasurer told the Ontario Energy Board that this move would save the company $500,000 in the large corporations tax.

I want to ask the Minister of National Revenue if he knows that his officials are telling corporate tax lawyers to go ahead and use this loophole. Does he know that most large corporations have their financial year end at the end of December and that they are now lining up to do this tax accountant's two-step? If he does know something about it, when is he going to make it clear to these companies that they are not able to avoid paying their fair share of taxes in this way and do something about it.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, as to the latter part of the hon. member's question, it is not a question of when I will let the companies know. I already have. In my speech to the Canadian Tax Foundation last week, I made it very clear that we have accelerated revenue collections and targeting particularly on large corporations. We are guaranteeing my colleague, the Minister of Finance, at least $400 million in additional revenue which is already geared for the farm assistance program.

I can tell the hon. member that we are going to go further than that. This government is committed to making sure that every corporation in this country pays its fair share of taxes.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the minister knows that the $400 million he is talking about in terms of stricter enforcement is different from this question of bankers acceptance notes and the way in which many corporations are now lining up to avoid this government's flagship as far as tax fairness is concerned.

I am asking the minister today: Will he issue a directive now to make sure that these corporations cannot avoid paying their fair share of that tax while other people are lining up at food banks, the very children that we are talking about going hungry while these corporations stand to not pay $500,000 worth of taxes, just one company?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I do not have to issue any directive because that is the policy of this government already.

I want to assure the hon. member in connection with his previous question that no official from Revenue Canada, that I am aware of, gives any instructions to any business to take advantage of any loopholes. In fact, this government has taken major steps over the last years to eliminate the loopholes that existed prior to the election of this government.

* * *

SOFTWOOD LUMBER INDUSTRY

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, my question is directed to the Minister for International Trade.

Today the U.S. International Trade Commission voted three to zero to proceed with an investigation of Canadian softwood lumber. We have lost round one. The U.S. industry wants duties of up to 25 per cent.

What is the government going to do to make sure that we do not lose the second round?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think my hon. friend is aware of the fact that this is the preliminary injury determination. It is the first of four stages. Normally in this first stage the commission rules in favour of the U.S. industry. That is

almost invariable. In fact, in 1983, when we won the ultimate determination, we did lose the preliminary determination on injury as well.

We will be working closely with the industry, closely with the provinces, closely with supporters of our position in the United States to put forward the strongest possible case. We believe that case is strong and we believe we have the facts to support that.

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, during the free trade debate the government said on many occasions and promised on many occasions also that tariffs would be abolished.

Does the minister not agree that the imposition of a 15 or 25 per cent import tax on softwood lumber to the U.S. would still be extremely unfair to us?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, one thing that we did not give up in the free trade agreement, nor did the United States, was our access to trade remedy laws if we feel that there are unwarranted subsidies on either side of the border. Let us be very clear on that.

In this case we do not believe there is a subsidy. As I indicated in my previous answer, we are going to fight that one hard right to the end.

What we did not have in 1983 or 1986 but what we did get through the free trade agreement is the right to go to an ultimate dispute settlement panel to ensure, as we did in the pork case, that our rights can be upheld and that any determination of subsidy is going to be strictly according to the law and supported by that panel. If that is necessary, we are prepared to take that course.

* * *

HEALTH

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, my question is for the minister of health.

The subcommittee on poverty of the standing committee on health in its report tabled today recommends that the federal government in conjunction with the provinces and territories develop a healthy babies strategy to help reduce by 6,000 the number of low birth weight infants born yearly in Canada. This preventive approach alone will save the health care system as much as $600 million a year, as estimated by the Canadian Council on Children and Youth.

• (1430)

Will the minister immediately announce today that he will implement this recommendation?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, the minister will not make any announcement today, of course, because first of all I want to read the report. I want to be aware. I know there has been a very quick reading of the report. The report is very interesting, particularly the kind of recommendations the member is referring to. We must first of all look at all the recommendations and put priorities on them. As I said before to his leader, I intend to present some strategies some time around the beginning of 1992. It is quite possible that that kind of recommendation would be within this strategy.

* * *

POVERTY

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, a supplementary to the same minister. The subcommittee report to which he refers, of course, is futile. It is for the most part ludicrous and it is really a snow job.

Does he not know that child poverty is a national crisis? Will he as the minister undertake to see to it that there is established a job creation program to undo some of the damage being done by the government's anti-employment policies which are aggravating the child poverty issue?

I ask him also whether he will he see to it that come next spring there is an adequate and accelerated program for student jobs during next summer, the summer of 1992?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, of course I disagree with what the member said in his introduction because I think he is wrong. The departments, particularly the department of my colleague in employment and immigration, put forward a lot of measures in terms of the way we deal with job creation. I think it works, but within the period of time where we are, the difficulty in terms of the economy, we have to face reality.

Of course, increasingly we will be able to deal with the problem of job creation, which will improve the problem of poverty among Canadians. He also knows very well that it is not the only reason why we face the problem. I just gave him the example that three years ago in Toronto the unemployment rate was about 3.5 per cent, which is basically no unemployment because it is negligible. We have, however, in Toronto a lot of people who face the problem. In other words, we have to cope with the question of poverty from different angles, what we are trying to do and what we will do.

I want to say to the member that it is not just a question of job creation, it is a global problem to which we have to find a global answer.

* * *

THE ECONOMY

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, as it is the last day of the session I, too, would like to offer season's greetings to yourself and to all members of this House on behalf of myself and my party, and to wish everyone a good family occasion and a very happy and healthy holiday season.

Unfortunately, Mr. Speaker, there are still a million and a half Canadians who are not going to have a very happy holiday season, namely those who are out of work, and the almost two million men, women and children who are also on welfare. Just this week we heard that 3,000 jobs in Oshawa are at risk, another 3,000 in rail in Montreal and in Winnipeg, and as a result of today's softwood lumber decision, we heard that more jobs could be at risk in that particular industry.

There is a way to turn this around. I want to say to the Prime Minister that I know that the budget consultations are going on, and I want to ask him if indeed we can see a new direction in economic policies in the next budget.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would join my friend, the Leader of the NDP, and the Leader of Her Majesty's Loyal Opposition in wishing you, Sir, and members of your staff and the pages and all members of the House of Commons a very happy holiday season.

In regard to the question about a new economic direction, I suppose that will have to wait for the budget pursuant to consultations that are ongoing with the Ministers of Finance.

The reason for my delay today was that I had a communication from the Minister of Finance, who is presently meeting with his colleagues in Ottawa for the first of a two-day series of meetings. He called to advise that over lunch earlier today, they had discussed with one another the feasibility and the advisability of convening a first ministers' meeting to discuss the economy.

I am advised that the consensus is that it might indeed be a good idea to meet. Some of the finance ministers had some ideas in regard to conditions, the agenda, the clear objectives, the absence of any finger-pointing exercises and so on.

I would hope, given what the Minister of Finance conveyed to me earlier today, that after Question Period we will be able to communicate with the first ministers about their availability and the possibility of holding this kind of a meeting, perhaps before Christmas if we can, if their schedules allow, failing which we will do it at the earliest possible moment. After that kind of meeting, I might be able to give my hon. friend more guidance with respect to any change of direction that may or may not occur.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary is for the Prime Minister. I am pleased to hear that there will be a meeting of first ministers and my question deals with that issue.

Is the Prime Minister open to a new direction for economic policies? Is he open to new suggestion on the economy, because unemployment is too high and this is tragic for many families, for the poor, for the less fortunate and for children?

I would also like to ask the Prime Minister whether he is open to new suggestions for the economy and whether he is willing to change the government's course if there is a consensus at the first minister's meeting.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my New Democratic friend asks me if I am open to new suggestions for improving the economy. Of course I am. Which ones?

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I am pleased to hear that because I am sure the Prime Minister knows there are no workers in this country who are not scared to death they are going to lose their jobs.

There are many things that can be done. The Prime Minister will agree that there are millions of Canadians without jobs and, alas, too many without hope. Today, the decision by the International Joint Commission on softwood lumber came as a blow to that industry. The Ministry for International Trade did answer, of course, that this is one in a series of stages. However, I think it is very important that the Prime Minister himself give direction that Canada take strong action now, before it is too late. Will the Prime Minister use his resources, his power and his influence to fight this unfair softwood lumber decision that we had today.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will put the resources, the talents and the influence that the hon. member imputes to me in a very vigorous defence of softwood lumber. I know she only said that because it is Christmas.

I would hope that the results for Canada, given the mechanisms that we negotiated in the free trade agreement, will be as beneficial as those in the recent pork decision which brought so much benefit to Canadian farmers.

My hon. friend asked me whether I am open to new specific suggestions to improve the economy. Indeed, I am, and perhaps she might tell me specifically what she has in mind to improve the economy.

* * *

• (1440)

[*Translation*]

AGRICULTURE

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is for the Minister of Agriculture. Is the minister willing, with the consent of the House, to propose today a motion to show Canadian farmers his commitment to maintain farm assistance programs as we know them today, and to advise all GATT members of our determination to keep our farm programs?

[*English*]

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, the determination of the Government of Canada, the producers and the provinces has been shown to the world.

An hon. member: Oh, oh.

Mr. McKnight: I am not too sure who is muttering over there in the backbenches.

Mr. Speaker: The hon. minister has the floor.

Mr. McKnight: I would say to the hon. member that the Government of Canada, the producers and the provinces have shown their commitment to maintaining supply management in Canada. The hon. Minister of Agriculture for the province of Ontario led a delegation to Geneva along with farm leaders to express their point of view in support of the Government of Canada's negotiating position.

At the present time the Government of British Columbia is leading a delegation to Geneva, made up of farm leaders, to say that they support the Government of Canada's position. The Government of Quebec has been in Geneva supporting the Government of Canada's position.

I think the hon. member and all members of this House support the government's position in its negotiations.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question was clear and direct. The farmers are expecting an unconditional response. We are asking for a simple motion to show unconditional support for the farmers of this country, as other legislatures in this country did. Why can the minister not present a motion and give the response to the rest of the countries in the GATT that we are determined to support our farmers?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, it is very strange to hear that coming from the Liberal benches after the farmers throughout Canada, who from 1980 to 1984 had their income decimated, were paying 22 and 24 per cent interest rates, had inflation at 14 per cent, and not one dollar of assistance to agriculture by the former Liberal government during all those difficult times.

[*Translation*]

THE ENVIRONMENT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Minister of the Environment. On October 1, Canada and the United States announced a joint program to practically eliminate all toxic substances in Lake Superior, as they put it. Much of that pollution is caused by the bleach used by the pulp and paper mills.

How will the minister reach this goal, since he refused two weeks ago to regulate toxic substances produced by these plants, except in two cases?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, since then, we have announced regulations for paper manufacturers throughout Canada that will regulate, under the Canadian Environmental Protection Act, dioxins and furans. That will help reduce the level of organo-chlorines getting into our waterways from 600,000 tonnes in 1988 to about 400,000 tonnes in 1993. That is a 60 per cent reduction in the level of organo-chlorines getting into our environment, less than 2 kilograms per tonne. Moreover, that initiative will cost the industry approximately $3 billion, since it will have to modernize to meet the new standards in effect throughout Canada.

[*English*]

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is to the same minister. The Attorney General criticizes the environment department for not having specific goals and deadlines to stop pollution of the Great Lakes and for dragging its feet on regulating toxic substances. Since the minister refuses to regulate the entire pulp mill effluent, which he admits is a toxic substance, in its entirety, will he tell Canadians today what targets and deadlines he is prepared to set so we can meet our international obligations to stop poisoning the Great Lakes?

Hon. Jean J. Charest (Minister of the Environment): For the sake of clarity, Mr. Speaker, I think the hon. member was referring to the Auditor General, not the Attorney General. May I point out that in the Auditor General's report that referred to matters that pertained to government policy before the green plan and that pertained in respect to the Great Lakes, to a report if I remember correctly that was published in 1988 or 1989, and that has since been corrected in terms of its approach. At least there has been some *améliorations* in the way that we have done things.

We have brought forward regulations for the pulp and paper industry that will reduce substantially the amount of organo-chlorines that go into the environment. In fact, by regulating dioxins and furans to a cost of approximately $3 billion to the industry, we will create a situation in regard to dioxins and furans that will oblige the industries to produce non-measurable levels of dioxins and furans.

That meets the test of virtual eliminations.

* * *

SMALL BUSINESS

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the minister responsible for small business.

A great many Canadians are concerned about the reports of continuing erosion of Canadian business interests to the United States. If such a trend of erosion does exist and if it is growing among our small business interests, then indeed it is a matter for serious and time for action.

Will the minister tell us if we are losing a significant number of Canadian businesses to the United States and, if so, what are we doing about it?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the whole House will be interested in the answer to that particular question because it is a very important question as we return to our constituencies.

Statistics Canada has just released figures which indicate from October 1989 to September 1991 that 5,000 additional manufacturers have been established in Canada and 30,000 new jobs have resulted.

Some hon. members: Hear, hear.

Mr. Hockin: Mr. Speaker, I ask myself why this has happened. We know why this has happened.

First of all, we have a $500,000 capital gains exemption. We have the lowest corporate rate for small business in the OECD. We have lower medical and health care costs, far lower than in the United States, plus we now have a prime rate competitive with the

United States and access to credit, thanks to the financial institution reforms that have been passed, better than any other country in the OECD.

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AGRICULTURE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is for the Minister of Agriculture.

In the more than seven weeks between now and the resumption of this session in February, hundreds of farm families and their creditors will be reviewing their financial future. Since commercial mortgage rates are now as much as three percentage points lower than the Farm Credit Corporation rate, can the Minister of Agriculture tell this House and those families what rate Farm Credit Corporation will be charging in 1992 so that these farm people will be given realistic choices in deciding whether to continue or to quit?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I would like to be able to do that for the hon. member. If he would have asked that question last year, I would have given him an answer that would have had Farm Credit Corporation charging five percentage points more than it is today. The hon. member knows that farm credit adjusts its interest rates on a weekly basis so that producers are able to take advantage of the lowest interest rates that the Farm Credit Corporation could obtain for farmers in the market.

That is the policy. It is adjusted every week so that farmers have the advantage of the marketplace and the downturn in interest charges that has taken place through the Government of Canada, this government, managing the economy in the manner it has.

* * *

SOFTWOOD LUMBER INDUSTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, our farms, fisheries, and forests are threatened by this government, in particular our forests.

The ruling today of the U.S. International Trade Commission on the softwood lumber tariff is the start of a new trade war over our forests. My question is to the Minister for International Trade. Last week in the forestry committee the minister of forests said the government was surprised by U.S. retaliation this fall.

• (1450)

Is the government surprised by today's action and can the minister assure Canadians and this House that it will fight with vigour to protect the sovereignty of our forests? We do not want our forest policy dictated from Washington, D.C.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, that is precisely why we took the decision to terminate the memorandum of understanding on softwood lumber, so that Canadian provinces would establish their own forest management practices without having to clear any of these with Washington.

As I indicated in my previous answer, we are disappointed with this particular decision. I also indicated that this has happened on many occasions before at this stage of the proceedings. This is the first of four determinations. Following that we have access to the dispute settlements mechanism system under the free trade agreement. If necessary, we are prepared to go to that limit.

If my hon. friend listened to my first answer, he would know that I said we will be working very closely with the industry, with the provinces, with our friends in the United States who support our position because we believe that the actions taken by the United States are quite unjustified.

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PORNOGRAPHY

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, my question is for the Minister of Justice.

On May 31 of this year, I asked the Minister of Justice to address the urgent issue of hard core pornography. As I said at the time, many violent crimes, including wife and child battering and the sexual abuse of women and young children, can be traced to hard core pornography.

When is the government going to act on this reality by bringing in strong legislation that will end the widespread problem of hard core pornography?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, as the hon. member

knows, there is a provision in the Criminal Code, section 163(8), which defines obscene and is intended to address that question of hard core pornography.

The constitutionality of that provision is now before the Supreme Court of Canada in the case called Butler. That case was argued in June of this year and the decision has been reserved. We are hoping to hear soon from the Supreme Court of Canada their views of that subject. That will enable us to move ahead in this area with some kind of assurance about charterability.

In the meantime, however, as the hon. member will know, in all of the discussions that have taken place within Parliament, the Rix Rogers report and others, there has been a strong consensus on the issue of child pornography. I am prepared to move ahead in that area pending any kind of resolution of the broader issues in hard core pornography that the Supreme Court of Canada may provide.

* * *

CANADIAN CENTRE FOR OCCUPATIONAL HEALTH AND SAFETY

Mr. Stan Keyes (Hamilton West): Mr. Speaker, my question is for the Minister of Labour.

According to an internal memo, the minister has been directed by Treasury Board to shut down the Canadian Centre for Occupational Health and Safety, unless of course business and labour can come up with over $1.7 million in just five weeks.

My question is as follows. Is the minister prepared to stand up and protect the health and safety of Canadian workers or will he abandon his responsibility as the willing hatchet man for Treasury Board?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, I would like to tell my colleague and all members of this House that the government is very committed to CCOHS. I know the centre is in the hon. member's riding. When the Liberal government was in office, from 1978 to 1984 it gave the CCOHS on average $3.1 million a year.

When we came into office in 1984, until now, we have given the CCOHS on average $9.8 million per year. We will continue to contribute to CCOHS. However, we feel it is fair that the other stakeholders do the same; that is the unions, that is companies and that is the other provincial governments that get services from CCOHS.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, only this minister can take a Liberal creation, the CCOHS—

Some hon. members: Oh, oh.

Ms. Copps: We created it.

An hon. member: When did Lincoln Alexander become a Liberal?

Mr. Speaker: The hon. member for Hamilton West.

Mr. Keyes: The fact of the matter is that this government says it is very committed to the CCOHS, yet it has only released half the funding that it needs before mid-January. That is its commitment.

How is it that the government can find $26 million in taxpayers' money for so-called prosperity hearings on competitiveness and the CCOHS is already there. Forty-three per cent of all its sales go to foreign customers?

Given that the government says that Canada must become internationally competitive and given that this House has urged the government to reinstate funding for the centre, will the minister do the right thing and financially support the whole amount of money that is needed to support this national centre whose programs save the lives of working men and women in this country.

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, I believe the intervention of the hon. member would be a lot more productive if he did what one of my colleagues, and I seldom say that, from the NDP and colleagues in the Progressive Conservative Party did when they saw the same article that the hon. member for Hamilton West saw. They came to me and said: "How can we help to make sure the centre continues?" They have undertaken to talk to the unions and the provincial governments to make sure that the centre survives.

I can tell the member that we will go the extra mile and we will put in the money as long as the other stakeholders do.

BRAZIL

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is to the Secretary of State for External Affairs.

Two Canadians have been sentenced to 28 years in a Brazilian prison for a crime they might not have committed. Having met this morning with the Lamonts and Spencer and hearing their plea to bring their children back to Canada, will the minister now do the proper thing, pursuant to Brazilian law, and immediately request the Brazilian government to expel Ms. Lamont and Mr. Spencer?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I did meet with the Lamonts this morning and with Mr. Spencer. The Prime Minister had a conversation with Mrs. Lamont as well in Vancouver.

As I explained to them, we are going to take a look at the situation with regard to the severity of the sentence that was brought about on appeal.

I certainly understand how the parents of these people feel, and I have stated that in this House before. I have asked our Canadian ambassador to Brazil today to meet with the Deputy Minister of Foreign Affairs as soon as possible, preferably today, to express our concern about the severity of the sentences. I have asked our departmental legal advisers, who met with the lawyers for the Lamonts and Spencers yesterday, to examine the information that they brought. We are waiting for a transcript of the recent judgment which gave what we consider to be an excessively severe sentence.

When that is all in my hands, I will then make a judgment as to action that we will take.

* * *

JUSTICE

Mr. Jim Peterson (Willowdale): Mr. Speaker, a short supplementary.

Ten years ago, Sidney Jaffe was kidnapped in Toronto and abducted to Florida. As a result, his wife was awarded damages by the Ontario courts and she now seeks to enforce this damage award in the courts of Florida.

My question is this: Why does the justice department refuse to issue an executive letter to help the Jaffes recover the huge expenses they incurred as a result of crimes committed against them in Canada? Why does this government refuse to come to the aid of Canadian citizens and help them obtain foreign redress?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, the department and I have neither refused nor accepted. This issue has been brought to my attention and I have asked for more information.

The principle that is raised by the Jaffe case is an important one where a Canadian was actually taken by a bounty hunter out of Canada as opposed to using the extradition process. That principle is now before the Supreme Court of the United States in the context of another case. I in fact have instructed my officials to enter an *amicus curiae* brief to argue in that case against that principle in the hope that in the future there will be some support from the American Supreme Court against those actions by the American government.

With respect to the Jaffe case, I am reviewing it and I have asked my department for more information about it.

* * *

PUBLIC SERVICE 2000

Mr. René Soetens (Ontario): Mr. Speaker, in his report, the Auditor General expressed support for the over-all thrust of the Public Service 2000 renewal initiative, but noted some concerns about its eventual implementation.

• (1500)

I would like to ask the President of the Treasury Board, given that PS 2000 was announced by the Prime Minister some two years ago and given that Bill C-26 was tabled almost six months ago, will this government continue to pursue this reform as one of its top priorities?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would like to thank the hon. member for his question.

It gives me the opportunity to indicate very clearly that the government supports PS 2000 and wants to proceed with debate and referral as soon as possible, which should be early when the session reconvenes.

Mr. Speaker: There will be two more questions.

* * *

RIGHTS OF THE CHILD

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is for the Prime Minister who yesterday signed the UN Convention on the Rights of the Child.

I would like to commend the Prime Minister for doing that and for his leadership in organizing the convention.

Some hon. members: Hear, hear.

Mr. Axworthy (Saskatoon—Clark's Crossing): I would like to point out a couple of points in the convention and ask for the Prime Minister's comments.

The convention commits Canada to encourage the production and dissemination of children's books and yet we have the GST on books. The convention also commits Canada to make higher education accessible to all on the basis of capacity by every appropriate means and yet the government has cut funding for the provinces for higher education.

I wonder if the Prime Minister could indicate when the government intends to change its policies so that it can ensure that it will be in conformity with the UN convention.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my hon. friend for his important question and I thank him for his comments about the importance of the event that took place yesterday on behalf of all of the children of Canada.

Of all the obligations we have, few are more important than those to our children. I appreciate very much the non-partisan support we have received from the NDP on this very important issue.

Funding has been increased to the provinces, not decreased. My hon. friend raises an interesting and good question with regard to the GST. We have indicated in the past that it is going to be looked at in the light of the experience of the first year.

Also, undertaking the obligations in the signature ceremony yesterday, the document indicates that every nation including Canada must present a report which displays the weaknesses of our situation *vis-à-vis* children, spell them out clearly at given times so that they can be corrected.

That is the priority that we seek to apply to the problems of children. I am delighted to know that I can count on the support of my hon. friend and I am sure of most if not all members of the House in this very noble endeavour.

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[*Translation*]

MANPOWER TRAINING

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Minister of Employment and Immigration. Yesterday, André Bourbeau, the Quebec minister, announced a complete reform of manpower policies and structures. This implies Quebec repatriating all powers in that area. Such a proposal goes to show the consensus that can be found in Quebec on this issue. Both labour and management are in support of a reform. I ask the minister this: Does he intend to open negotiations with his provincial counterpart to meet the needs identified by the Quebec government in this area?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the hon. member will no doubt be happy to hear that, as recently as November 21, 1991, I signed an interim agreement on manpower training programs with my provincial counterpart. In the meantime, constitutional talks are under way and I am sure that, in the end, the tools required to tackle the labour market successfully will be available to Quebec workers as well as to all other Canadians.

[*English*]

Mr. Speaker: I have several notices of points of order and some of privilege.

I am trying to follow them in the proper order. The first is the hon. member for Scarborough—Rouge River. I think this is on a continued matter.

Mr. Lee: Mr. Speaker, I do intend to raise a point of privilege. However, members on the government side are co-operating in attempting to deal with the issue I

wish to raise with the House. That co-operation is continuing at the moment and we may be able to complete the matter this afternoon. I would ask that I be able to defer raising this point of privilege until we have a chance to see if the government has been able to complete its work.

Mr. Speaker: I will take that into account. The hon. member may want to raise it again with me.

* * *

PRIVILEGE

COMMENT DURING QUESTION PERIOD

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I rise with respect to the question of the member for Winnipeg North Centre yesterday in which he impugned the motivation of the Prime Minister in signing the UN Convention on the Child, the member misled the House when he stated that the Prime Minister had pre-empted the report so that he could have a photo opportunity.

I want the House to know that I decided last Tuesday morning, in conjunction with the standing committee, to table the report this morning because I felt it would be the best time. There has been absolutely no contact with the PMO. At no time did I plan to table the report on Wednesday, with the proviso that if the House did not sit on Thursday I might have tabled it on Wednesday.

Mr. Speaker: We probably got pretty close to debate.

* * *

POINTS OF ORDER

STATEMENT PURSUANT TO STANDING ORDER 31

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, on a point of order arising out of statements today. The member for Glengarry—Prescott—Russell provided information to the House that was not correct. Perhaps he can check the "blues" and find that wherever he said "NDP in Ontario" he really meant "Liberal" and where he said "Bob Rae" he really meant "David Peterson", the premier who passed that particular act.

Mr. Speaker: The Speaker's generosity is related to the fact that it is Christmastime.

COMMENTS IN CHAMBER

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, yesterday in an exchange with the Minister of the Environment I made a reference to the little hacks around the minister. That was a poor choice of words.

First, it is not true. I know a number of the people involved and they are highly qualified and very dedicated.

Second, as my own staff pointed out to me quite frostily on my return to my office, when mistakes are made they are not made by staff, they are made by ministers or, in this particular case, by the opposition critic for the environment.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I want to thank the hon. member for the remark he made today and the generosity and the spirit in which he made it. He is quite correct in the sense that the people who work with all members around this House are usually very competent and very dedicated.

May I say on my own personal behalf that the big hack was not offended.

STANDING JOINT COMMITTEE ON THE SCRUTINY OF REGULATIONS

Mr. Doug Fee (Red Deer): Mr. Speaker, my point arises because the good feelings being exhibited in the House right now might mean that we adjourn slightly earlier than the intended hour this evening.

As all members know, the Standing Joint Committee on the Scrutiny Of Regulations has the responsibility to scrutinize delegated legislation on behalf of all parliamentarians.

I want to draw the attention of the House to the fact that for only the second time an order for revocation of a regulation is before this House. According to the reference in the Order Paper, the third report of the Standing Joint Committee on the Scrutiny of Regulations will be deemed to be adopted at six o'clock p.m. this day. This report includes an order for the revocation of certain sections of the Indian health regulations which have been found to be *ultra vires*.

My point of order is to seek clarification and assurance from the House that this order will still be deemed accepted should the House adjourn earlier than the hour referred to in the Order Paper.

Mr. Speaker: I thank the hon. member for giving notice. I can assure the hon. member that the answer is in the affirmative.

Some hon. members: Hear, hear.

Mr. Friesen: Mr. Speaker, I was unable to attend the House this morning during Routine Proceedings at the time of tabling of petitions. I wonder if I could receive unanimous consent from the House to table a petition.

Some hon. members: Agreed.

Mr. Speaker: The hon. member has asked for unanimous consent to table a petition.

Some hon. members: Agreed.

Mr. Speaker: So ordered.

ROUTINE PROCEEDINGS

• (1510)

[*English*]

PETITIONS

JUSTICE

Mr. Benno Friesen (Surrey—White Rock—South Langley): Mr. Speaker, the petition concerns the one circulated by the de Villiers from Toronto on the tragic death of their daughter. The undersigned residents of Canada, in support of the parents of Nina de Villiers, request that Parliament recognize that crimes of violence against the person are serious and abhorrent to society and to amend the Criminal Code of Canada, the Bail Reform Act of 1972 and the Parole Act accordingly. It is signed by a number of my constituents.

I wish them well and hope that the government can take care of this matter soon.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, this being the last sitting day of the Christmas season, I would like to ask the traditional question of the government House leader. Could he perhaps inform the House as to what business we might expect upon returning to Parliament on February 3?

Second, I wonder if the government House leader would be in a position to indicate quite clearly the date of the federal budget, which we presume will be in February. No specific date has yet been set. Could he give us some information on that particular point?

Third, could he indicate to us whether he will be forthcoming with enabling legislation with regard to a possible referendum?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, in terms of House business, we will continue to the completion of Bill C–32 at report stage, after which we will adjourn for a needed, if not deserved, respite from this place.

Upon return, there is a considerable list of bills that I would like to consider. I would ask the hon. House leader's indulgence, as well as that of other parties and members, to get back to them well in advance of February 3 to indicate the government's priorities. It will depend on what ministers will be available for participation in debate. As for the budget, the pattern established by this government of having annual budgets at approximately the third week of February is well received by everybody in the country and it is a pattern that we will continue.

As for the question of plebiscites and so on, as I have indicated earlier, these will be considered later for many reasons, not the least of which is the fact that I wish to receive and study the report of the Royal Commission on Electoral Reform, which is an important ingredient, before we can even consider such legislation.

Mr. Dingwall: Mr. Speaker, I wonder if the government House leader could indicate to the House whether there are any further statements that ministers or others might be making today.

Mr. Andre: I am sure that everybody would like to stand up and wish everybody else a Merry Christmas. Beyond that, I cannot think of any other reason why members would want to start other than to complete the debate and begin a happy holiday season for everybody concerned.

Mr. Rod Murphy (Churchill): Mr. Speaker, my question refers to the matter of the royal commission on electoral reform.

As he knows, the commission will be tabling its document some time in January when the House is not sitting. In the document there will be draft legislation. I had asked him and the other House leaders earlier in the week to consider having pre-study of that legislation so that there would be more opportunity and more of a chance that the legislation would be in place for the next federal election. I am wondering if he has considered that item and had a chance to consult with the Prime Minister's Office, and whether the government would be willing to have pre-study of the draft legislation that will be included in the commission's report.

Mr. Andre: Mr. Speaker, legislation of this nature obviously needs the general support of all sides of the House and of all persons concerned.

In that regard the question of pre-study of the proposed legislation may be the appropriate way to go. I want to assure the member that we will have ample time to deal with it before it is necessary to introduce it prior to the next election.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, on two points of order, one following from the earlier question on the royal commission. As the hon. government House leader knows, I have written to him about the very discriminatory features of the Canada Elections Act as it applies to the raising of money by independents. We cannot receive the donations that registered parties can. This is a blight on the whole system and it is a real problem in the pocketbook. I really hope, knowing full well the time it takes to amend the Canada Elections Act, even with pre-study, that over the break the hon. government House leader will confer with other House leaders to try to remedy this with a simple amendment, as I suggested in my letter. Then it will not be necessary to start a court action and an injunction against all political donations until this matter is resolved. I say that seriously.

That is my first question. Frankly I thought the royal commission, and perhaps the government House leader has further information on this, was intending to file that report in November. Perhaps he could indicate if he knows when it will be filed.

Since I was not able to get the Speaker's eye during Question Period, in a nice gesture of Christmas I would like to extend Christmas greetings to you and your staff on behalf of the independents, who happen to be the largest group in Canada at the present time. I was going to say that when I caught your eye. However, since I did not get your eye I will say it now. Now my second point.

Mr. Speaker: I can say to the member for Annapolis Valley—Hants that the reason he did not get my eye is that I knew he had several points. Please continue.

Mr. Nowlan: I have only one point left and it is a serious one. I know the Prime Minister has some other things on his mind, but since we all agree that confidence is rather important for the economy and the Constitution, is the government going to clarify this confusion and the Gilbert and Sullivan act of a Royal Commission on New Reproductive Technologies over this break, since a cabinet order is involved? If it cannot get it in order, scrub the whole thing right now.

Mr. Speaker: I think this is extending into Question Period. The hon. government House leader.

Mr. Andre: I hear the hon. member's representation respecting the question of tax deductions. As he knows, undoubtedly one of the questions the royal commission has been seized with is how to reconcile the kind of limits we have and the description of political contributions in terms of raising and spending within the Charter of Rights and Freedoms, taking into consideration the fact that we now have experience that groups can apparently violate the Elections Act. All of those questions need to be considered, including the representation made by the hon. member.

However, I hope the hon. member is not saying that he represents all of those who say "none of the above" when people answer the question "what is your preference" in the polls.

Mr. Heap: On a point of order, Mr. Speaker. I would ask the unanimous consent of the House to introduce a petition since the order was out of order this morning.

Some hon. members: Agreed.

Mr. Heap: I thank my hon. colleagues. This is a petition on behalf of families who have been separated—

Speaker's Ruling

Mr. Speaker: The hon. member on a point of order.

Mr. Flis: Mr. Speaker, I would just like to remind hon. members, especially the ones who have been here for such a long time, and I too have petitions, that we can simply table them with the Clerk of the House and the petitions are tabled without seeking unanimous consent of the House.

Mr. Speaker: I do not think the hon. member has unanimous consent of the House anyway.

An hon. member: Yes, he has.

Mr. Speaker: Well, let me put the question again to the House.

The hon. member for Trinity—Spadina has asked the unanimous consent to present a petition. Does he have unanimous consent?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Thank you, Mr. Speaker, and thank you, colleagues.

This is a petition on behalf of families who have been separated for years and may be separated for years more. I am asking that the minister of immigration issue minister's permits for spouses and dependent children of refugee claimants who have been permitted to apply for landing from within Canada, including persons in the backlog and persons accepted under the new legislation, and allow them to be reunited in Canada for inland processing.

This has been signed by 25 residents of the city of Toronto.

Mr. Dingwall: Mr. Speaker, I rise on a point of order. I have a question for the Prime Minister, if I may.

• (1520)

I am wondering if the Prime Minister has had an opportunity to review the *Hansard* of yesterday and if he would wish to make a statement with respect to the exchanges which took place yesterday at three o'clock.

Mr. Andre: Mr. Speaker, I thought that perhaps goodwill was going to take over and prevail in the end.

As I indicated earlier, I sat here and my colleague the Minister for International Trade was not here. The Deputy Prime Minister, the minister of youth who was sitting behind the Deputy Prime Minister, and the Whip who was sitting behind the Prime Minister absolutely and categorically deny that those comments were made.

Some hon. members: Oh, oh.

Mr. Andre: Let me finish my comments. As was quite accurately and properly pointed out this morning during debate, the supposition that an accusation can be made in this House and the accused must somehow stand up and explain or apologize is something I simply cannot accept as a precedent.

I heard what the Prime Minister said. He did not say what was attributed to him, and frankly that should be the end of it.

Mr. Dingwall: Mr. Speaker, my colleague from La-Salle—Émard stood today and he corrected an exchange that took place. There are members on this side of the House who believe an exchange took place.

I ask the right hon. Prime Minister, and this is my final question, if he does not see fit to stand in his place and make a statement with regard to the exchange that took place yesterday at three o'clock.

* * *

POINT OF ORDER

COMMENT IN QUESTION PERIOD—SPEAKER'S RULING

Mr. Speaker: The hon. member for Cape Breton—East Richmond has raised the matter which engaged us yesterday and also this morning. The hon. the government House leader has made his position quite clear. I am going to try to deal with the situation we find ourselves in as succinctly as I can.

Yesterday the hon. members for Winnipeg North Centre, Glengarry—Prescott—Russell and Hamilton East urged the Chair to review *Hansard* and the electronic tape, alleging that the Right Hon. the Prime Minister had used unparliamentary language and consequently caused disorder.

There were other members who wished to be heard, but I took the position that I had the point that was

raised and I undertook to the House that I would, as they say here, look at the "blues"; in other words review *Hansard* and also the electronic *Hansard*.

This morning when asked by the opposition House leader I reported that I had reviewed both *Hansard* and the broadcast tape and neither lend any support to the claim or the allegation that the right hon. the Prime Minister used unparliamentary language. This morning the hon. government House leader asserted the view that the right hon. Prime Minister did not utter the words that had been attributed to him.

I ask hon. members to listen carefully because I am rendering a procedural decision. There is a dispute as to what happened. There have been statements made outside the House of which I am aware, but as is our tradition the Speaker cannot and should not make any ruling based on comments outside the House or in media reports.

In a situation like this, which is not easy, the first condition is: Did the Speaker hear words or a phrase of an unparliamentary nature? I have to say to all hon. members that the first condition was not met yesterday as the Chair did not hear the alleged utterance.

Hon. members will say: "Well, why didn't the Chair hear it?" The Chair cannot hear all comments made in the Chamber. All hon. members, I am sure, can accept that and know that.

The second condition if the Chair has not heard the words complained of is to verify our records to establish if they are reported by *Hansard* or audible on the recording.

Having done so there is no supporting entry in *Hansard*, nor does the electronic *Hansard* demonstrate that an offending phrase was used by the right hon. Prime Minister.

An hon. member: How about if I heard it?

Mr. Speaker: That is not a helpful suggestion at this point. I really would ask hon. members to refrain from making comments like that.

I suggest to the House that is where we are now. I am asking hon. members to listen carefully. That is where we are now. I suggest to the House that the Chair can go no further. I have done what I was requested to do and I have reported on it. The Speaker has no power to compel any member's attendance nor can I force any member to make a statement.

I want it clearly understood that some weeks ago on an unhappy day when a member was brought to the bar of this place, it was not done so by the order of the Speaker. It was done so by the order of this House after debate. There is a distinction.

The Chair is faced with a dispute and is unable to resolve it. When the official records are not supportive of the allegations, I am convinced that it is not the duty of the Chair to try to resolve it.

As far as I am concerned from a procedural point of view and in keeping with our conventions the matter is closed.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank you for the important parliamentary decision. You indicate that neither the Speaker nor the video nor the sound records nor the *Hansard* monitors sitting a few feet away from me support the allegations imputed. The reason for that is because what you have just indicated is entirely consistent with the facts of yesterday.

That is why it is as it is. That being said, I have always taken the position in this House that any offence, real or imagined, deliberate or inadvertent, that might cause the Chair any difficulty of any kind is something that I as Prime Minister ought to be the first to respond to. I always have sought to do that and I do so again today.

I would say to the Speaker and to all hon. members of the House that I concur fully with the judgment of the Speaker and the reasons that he has given. They will search in vain for the offending phrase because it does not exist. That having been said, I convey to the Speaker my regrets for any inconvenience and I convey to any hon. member of the House my regrets for any offence they may have taken at any comments made by me that may have inadvertently caused them any degree of difficulty.

I thank you, Mr. Speaker, for the clarity of your decision.

Some hon. members: Hear, hear.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, through you on behalf of my party, we accept your ruling and we accept the statement just made by the right hon. Prime Minister.

Some hon. members: Hear, hear.

• (1530)

Mr. Riis: Mr. Speaker, I rise on a point of order. Earlier today I inadvertently forgot to present a petition. I wonder if I could have the unanimous consent to allow me to present a short petition at this moment?

The Acting Speaker (Mr. DeBlois): Is there unanimous consent?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

CROATIA

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I would like to thank my generous colleagues in the House for this gesture.

It is a petition on behalf of a number residents throughout western Canada. They point out that 94 per cent of the population of Croatia voted for independence, that Croatia instituted a democratic government in a multi-party election conducted in April 1990, that like all other peoples Croatians are entitled to freedom, democracy and their right to self-determination, and that Canada has an international reputation as a moral authority and as such can initiate this democratic process without compromising world peace.

The petitioners call upon the government to take the initiative to recognize Croatia fully as an independent and sovereign democratic nation.

GOVERNMENT ORDERS

[*English*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed from Monday, December 9, consideration of Bill C-32, an act to amend the Canada Assistance Plan, as reported (without amendment) from the Standing Committee on Finance; and the motion of Mr. Langdon (p. 5964).

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I do not intend to speak too long. I just want to review a few comments with regard to this bill.

[*Translation*]

I can say without any hesitation that I am definitely opposed to Bill C-32, a measure that demonstrates this government's failure to defend the poor in this country.

Faced with a situation in which more and more Canadians will have to resort to welfare, the Tory government is putting a cap on our Canada Assistance Plan. This measure will put a 5 per cent cap on funding for welfare plans in Ontario, British Columbia and Alberta. Unfortunately the need for funding will probably be greater in these provinces as a result of the negative impact of Tory policies such as the GST and free trade on our economy.

As you know, Mr. Speaker, the Canada Assistance Plan is a major component of the kind of program vision that requires close co-operation between the federal government and provincial governments. The Canada Assistance Plan is a shared cost program. We also have Established Programs Financing, which focuses mainly on post-secondary education and health care which is in bad shape and the comprehensive financing formula, under which the federal government works together with the provinces in the areas of health care and education.

The purpose of all these programs is to ensure that Canadians, especially those in greatest need, receive government assistance. However, the Tory government's policies have clearly shown us that the government has chosen to ignore Canadians and the fact that many are living in poverty.

The number of homeless people, people who live on the street and who are barely surviving, is increasing. There are young people on our streets who are getting into drugs and prostitution and who will never be able to get out of that world. Obviously this would not be happening if the community could offer them alternatives, some kind of programs and social assistance to tide them over difficult periods.

The government is acting irresponsibly by capping the Canada Assistance Plan.

According to the federal government's figures, the three provinces affected will lose $2.135 billion in federal

transfer payments over five years. However, these provinces see a worse scenario. Ontario estimates that it will lose $1 billion in the current year.

Furthermore, as you know, Mr. Speaker, the provinces affected by the capping of the Canada Assistance Plan are the only ones that do not receive any equalization payments. Since half of poor families and 54 per cent of welfare recipients live in these three provinces, it seems very strange to me that the government is imposing such a devastating measure.

[*English*]

I would like to just to mention a few points before I conclude. I would like to say that as a maritimer I suppose some people are wondering why I am debating this Bill C-32 since it has to do mostly with Ontario, Alberta, and British Columbia. I think that if we look at the statistics it will show that the Canada Assistance Plan does help these provinces. To put a cap on CAP is to punish those provinces. It is punishing the people who live in those provinces who can least afford to be punished.

We talk about child poverty. I would like to point out to the House and to Canadians in general that today there was a report tabled. I would like to review some of the recommendations tabled in the Liberal minority report on child poverty. It has to do with this legislation as well.

The title of that document is *A Child Investment Strategy*. I would like to go right to the recommendations rather than highlight the whole report. In the recommendations the Liberal Party recommends that there should be some type of nutritionally balanced breakfast, lunch and snack programs in schools throughout Canada.

We would also recommend that due to the hardship that some families are enduring and suffering from that we should restore entrance requirements and duration of entitlements to pre-Bill C-21 levels.

We ask the government to withdraw Bill C-20, an act to amend certain statutes to implement the budget of last February. We also ask that this very bill we are debating today be withdrawn.

I should point out that there are a number of other recommendations that have been made. One is that there should be a winter job creation program to help in the short term. Obviously we need medium-term and long-range solutions as well, but I think it is very important that we develop a short-term job creation program.

We know that unemployment will be very high for students and youths next summer. The government should be ready to have an accelerated job creation program for students and youths in place for the summer of 1992.

With regard to child poverty as it concerns aboriginals, we would recommend that the aboriginal leaders from across Canada meet with the federal government and establish an immediate course of action to address this very serious crisis.

One of the recommendations tabled today in our minority report was that the federal minimum wage rate be raised to $5 per hour effective January 1, 1992. Effective January 1, 1993 the rate should be raised to $6 per hour.

While I am on the topic of youths, students and poverty, I urge the government to stop dragging its feet with regard to the Student Loans Program. A complete review of that program is long overdue. I would ask that the government not only look and consult across Canada but look at other models in other countries so that we may come up with a better student loan package.

[*Translation*]

In closing, I must again object to this regressive measure of the Mulroney government.

• (1540)

Since unemployment and poverty have risen sharply in the three provinces affected by this bill, as they have in all the other provinces of Canada, the Conservatives show a lack of conscience and are committing a flagrant injustice by cutting funding for essential services.

Something is rotten in the kingdom when the ranks of the poor are growing at an astonishing rate at the same time that Canada's chartered banks report unprecedented profits, as we saw last week.

This bill is just a sneaky way for the Conservative government to put the burden of repaying the national debt on the shoulders of those who can least afford it and who have nothing to do with creating the problem.

Finally, I ask the government to revise its policy of capping CAP so the destitute can have what they need to survive. In this holiday season, it is important to give a little hope to people who need it most, so that they can look forward to better days.

[*English*]

Mr. Littlechild: Mr. Speaker, I rise on a point of order. I am wondering if there would be unanimous consent, without debate and without amendment, to move the following motion:

That this House take note that the 1991–92 season marks the 75th anniversary of the National Hockey League; and

That this House take note that the long-standing role of hockey in Canada's culture, heritage, pride and national unity; and

That this House in the 125th of our country's existence recognize January 1992 as the National Hockey League month in Canada.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent for the motion?

Some hon. members: Yes.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): There is not unanimous consent.

Mr. Maurice Foster (Algoma): Mr. Speaker, I want to say a few words this afternoon about Bill C–32 because this bill, brought in by the government at this time, is causing extreme hardship in many communities in the province of Ontario certainly.

The bill itself caps assistance provided under the Canada Assistance Plan to 5 per cent per year. Of course the government has gone to the Supreme Court to force this on the provinces of Ontario, Alberta and British Columbia at a time when these three provinces, which are the only ones that do not receive transfer payments themselves from the federal government, are facing extremely high welfare and government assistance demands.

In fact in the Algoma riding I do not think that we have ever faced as high a demand for welfare assistance since the 1930s. Several weeks ago I attended a meeting of the Algoma Municipal Association meeting in which the welfare officials pointed out that the cost of welfare is really going through the roof in those communities. This is mostly because there were massive lay–offs in the summer and fall of 1990 in the community of Elliot Lake due to the downsizing of the uranium mine operations. There were also lay–offs in the fall of 1990 in the city of Sault Ste. Marie because of the downturn in the steel industry, the strike that took place at Algoma Steel and the subsequent lay–offs that occurred.

What we have in this bill is a tremendous increase in the responsibilities of the provincial government. Take the province of Ontario which is the energy and the engine of the Canadian economy. It has been in a very prosperous situation for the past six or seven years. There was an unprecedented growth period in Canadian history from 1983 through to 1990. Suddenly the whole economy of the province of Ontario goes into one of the worst slumps in history. The federal government caps the Canada Assistance Plan funding at 5 per cent at a time when unemployment and welfare costs are simply going through the roof.

After attending this meeting of the Algoma Municipal Association I wrote to the premier to suggest that the province of Ontario should be doing the same as most provinces in this country. I believe all the provinces with the exception of Nova Scotia and British Columbia should be jointly sharing the costs of welfare and assistance to people. They should be sharing these costs with the two senior levels of government, federal and provincial, and not be loading the municipalities of Algoma and municipalities across this province of 9 million people with 20 per cent of those costs.

Clearly, when there is a district like Algoma going through high unemployment, high UI payments and many thousands of those people coming off UI benefits, it is not the time to be loading more welfare costs on to the municipal taxpayers.

I have suggested to the premier that it should be taking on this responsibility jointly with the federal government. I suspect that there will be more difficulty in persuading the New Democratic Party government in Toronto that it should assume this responsibility which has been assumed by seven of the ten provinces in Canada, because of this capping of the Canada Assistance Plan.

I am told that the losses to the three larger provinces with the greatest fiscal resources amount to some $2.135 billion over the next five years. Therefore, persuading the Ontario government to do what it should do at this

time will be made more difficult by the decision of the federal government to cap the Canada Assistance Plan.

CAP was a program that was put in place by the former Liberal government. It was a way to bring some order out of the chaos which existed before then with the multiplicity of programs in which the federal government simply assumed half the costs for people receiving welfare assistance for dental care, essential living services for disabled persons, foster homes for abused children, safe houses for abused women and subsidized child care for low income families. Those are some of the parameters the Canada Assistance Plan provides.

It certainly is not the time for the federal government to be capping that assistance when provincial government welfare costs are going right through the roof after a period of massive sustained growth. Now we see unemployment in the province of Ontario, the income to the the government dropping dramatically, and at the same time the federal government is cutting back its assistance.

The House leader for the government indicated that they would be bringing in a new budget in the third week of February. Clearly this Bill C–32 is an unctuous bill. It is unfair to the provinces which generate the wealth to provide deficiency and transfer payments to those provinces with fewer fiscal resources. Now their resources from the federal government are being capped by 5 per cent per year. To bring that in at any time I think is a most unfair move. It brings it in now when welfare costs for the province of Ontario are going through the roof and when there are many communities such as northern Ontario and the Algoma district which need a more generous arrangement.

These communities were probably not getting it from the provincial government because of the federal government's action in capping the Canada Assistance Plan which is so vital and so important to maintaining the integrity of our safety net system.

• (1550)

Last fall at this time we were debating Bill C–22, an act respecting unemployment insurance. At that time we said to the government that it was increasing the contributions massively. It has already increased them again. It is loading training on employees and on employers across the country. It is reducing the benefits. Communities in which the unemployment was at a certain level would be receiving previously perhaps 50 weeks of UIC benefits and suddenly would find they were receiving 35 or 41 weeks of UIC benefits.

What we have is a domino effect. Those communities consist of people who have been laid off for 40 or 50 weeks and suddenly are going on welfare. Then the local municipality or the province which does not have to make any contribution to UIC benefits suddenly is being loaded with these welfare costs.

In the case of Ontario it is having its Canada Assistance Plan funding capped at 5 per cent. Its welfare costs have gone up to a higher percentage, in some cases perhaps an increase of 10 per cent over and above previous levels. It is simply an intolerable situation and this bill is a reactionary piece of legislation which ought not to be passed.

I certainly hope that if the government does force it on the provinces of Ontario, Alberta and British Columbia, the new budget will rescind it because it is a Draconian measure and is being brought in at an improper time.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I too wish to enter into the debate. The government has introduced Bill C–32 which would cap federal contributions to the Canada Assistance Plan for the provinces of Alberta, British Columbia and Ontario.

I have been one of those who have advocated that there should be environmental review assessments on major projects. I would also advocate that there should be a social environmental review process when the government undertakes major initiatives like this.

I would like to know what the social impact of this legislation is. I would like to know how much more crime would be committed because of the increased poverty that this bill would put into effect.

I would like to know how many more suicides we will see because of this bill. I would like to know how much more hunger and poverty there will be. I would like to know the effects on children that this bill will have. I would like to know the effect this will have on future generations as we see more and more people, particular-

ly families and children in those families, being pushed to the poverty level.

One child in six in Canada is now poor. Almost one-half of Canadians who rely on food banks are children, almost one-quarter of a million children.

In the period now of a major recession, major hardship, this government is further tightening the screws on the very poor in this country by putting a cap on the Canada Assistance Plan through this proposed legislation.

This program affects the very poor of this country by turning the screws on them even more. I think the human hardship and the human fatalities that this will create are things that Parliament should really know about.

We hear, in some ways rightly so, that we do have to control our deficit. Our deficit now is an outrageous $400 and some billion. Well over a quarter of government revenues every year go just to pay the interest on the debt, close to $32 billion I understand. I could be corrected but it seems to me it is around $32 billion a year.

An hon. member: $43 billion.

Mr. de Jong: Some $43 billion a year goes just to pay the interest on our debt. I consider that to be a transfer of wealth to the wealthy.

Who are the people who benefit from this? You have your financial institutions, your lenders, the people who have money to save and to put into Canadian bonds. You have banks and foreign investors. These are the people who get the $43-some billion. Imagine what we could do with $43 billion in this country. To blame the poor, to blame those who are on welfare, I think is disgusting. It is obscene. They are not the cause of the deficit.

We have often heard members on the right and the Tories say we have been living beyond our means. By this I suspect they mean that our social programs are too rich. I knew a number of years ago, and I suspect the statistics are still the same, that what we spend as a percentage of our Gross Domestic Product on social programs such as health, education, family allowance, old age pensions, welfare, education and so forth is the second lowest of all the industrialized countries of the world. We spend less than Holland, Germany, Denmark, Sweden, Norway, Italy and England. Only the United States spends less than we do on social programs.

Do not tell me that we are spending too much on social programs or that it is the poor who have caused the deficit. There are countries such as Germany and England that have Conservative governments, but those governments I suspect have more of a social conscience than this government.

What is the cause then of our deficit? The real cause of the deficit, and it was illustrated in the budget in 1979 which the then Conservative Minister of Finance introduced, is tax expenditures, the tax loopholes. Those were the loopholes put in by the Liberals under their former finance minister, the hon. member for Vancouver Quadra.

These loopholes allowed, for example, a clerk in 1983 to pay actually more in taxes than the Royal Bank of Canada did. Even though the Royal Bank of Canada had over some $360 million worth of profits that year, it did not pay one cent of tax.

These tax loopholes are the cause of our deficit. We did not collect the revenues we should have been collecting. Another beautiful example is tax reform in 1971 with the notion of a dollar is a dollar is a dollar. Whether one earns a dollar in terms of work or a dollar in terms of profit or a dollar in terms of dividends or an increase in capital gains, a dollar should be taxed.

In 1971 when we did away with the inheritance tax the government of the day, the Liberals, in order to help the Compeaus and the Westons and its large wealthy friends allowed them to put their wealth in a trust. At that time it was estimated that they were allowed to put their wealth in trust and not pay taxes for 21 years; in other words a deferral for 21 years.

• (1600)

Mr. Lee: Mr. Speaker, I distinctly heard the member who was speaking refer to another member by that member's name.

I believe the member would more properly be referred to as the member for Vancouver Quadra. I am sure the member is aware of that rule and I am sure he would want to follow it as closely as he could.

The Acting Speaker (Mr. DeBlois): The hon. member for Regina—Qu'Appelle, you have two minutes left.

Mr. de Jong: I apologize to the hon. member and commend him for his brilliant introduction and for his contribution to the House.

The fact is that in 1971 the Westons and the Bronfmans said they were given a tax deferral that was worth some $18 billion then. The deferral runs out in 1993. Twenty-one years are over.

Finally, the folks who have benefited the most from deficit financing, from the increase in wealth that occurred in the 1970s and the 1980s, whose properties in downtown Toronto rather than being worth $10 million for a high rise building are now maybe worth $30 million, $50 million or $60 million, the Tories are now going to allow them to defer paying any tax until the last member of the trust dies.

Are they making any contributions to fighting the deficit? Where are the contributions of the Westons and the Bronfmans?

There is dead silence. I do not expect the Liberals to change that because, after all, they created the situation in 1971, nor the Tories who are just going to perpetuate it.

A horse in Mr. Weston's stables gets more tax deductions and tax breaks than an old senior citizen, a widow or a child living in poverty. That is the obscenity occurring today as we finish this session before Christmas.

Do not blame the people on welfare for creating the deficit. My heart throbs when we hear the Liberals complain and take up the plight of the poor. They also have some responsibility in all this.

It also does not make very good economic sense at times when there is an economic downturn to put the screws on the very poor. This does not make economic sense. It is almost Keynesian in reverse and we see that with this government.

In good economic times it introduces tax reductions and in bad economic times it introduces the GST and more taxes. In good economic times it increases government expenditures and in bad economic times it cuts down on economic expenditures.

That is more than voodoo economics. That is stupid economics. With the bill that we are debating today—

The Acting Speaker (Mr. DeBlois): Order, please. The time of the hon. member has now expired.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, yesterday, the Prime Minister signed the UN Convention on the Rights of the Child.

We have before us a bill today that is linked more closely than any we have had in the time I have been in this House with extending the poverty of children in Canada.

There is absolutely no doubt that when the government reneges on its commitment to cost share in social programs and social services, the Canadians who are being hurt are our children.

A report was done very recently in Ontario called the transitions report. This was approximately three or four years ago under a Liberal government. It has seen little action under the NDP government in Ontario.

Its primary recommendations were geared to having a social services system that allows people to get out of poverty rather than keeping them imprisoned in it. The main focus of that report was on our children. We should provide the family income so that children could be cared for, housed, clothed and fed decently. That means they would also be able to be educated. It means they would also have some commitment to a future that would encourage them to stay in school. It would mean they would be healthier and cost less to the health care system in this country.

This bill before us today says the federal government is no longer prepared to pay its share to meet the needs of children. It will set an arbitrary limit and no matter how many needy children there are, or how desperate those needs are, it will not go above that.

That is not the kind of Canada that I have raised my children in. It is not the kind of Canada I want for their children. It is a Canada where the poorest in our society bear the burdens of all the economic mistakes of government and of those with money.

The government creates the economic climate and it has no right to insist that the poorest and the weakest carry the burden of its errors in doing so.

If there is any doubt about who carries the burden, let us examine what services funding will be affected: dental care for people on social assistance, essential living services for disabled persons, foster homes for abused children, safe housing for abused women and their

children, and subsidized child care for low income families so they can go out and work.

This surely is the exact opposite direction from that in which a country like Canada, one of the wealthiest in the world, wants to head. Surely we want to create opportunities so that every child can grow up with a hope of being healthy, well educated, and of contributing to the maximum of their ability to their society. Yet, that is not what happens.

This bill continues the climate of envy and greed that this government has so carefully sowed among Canadians. It fertilizes it well because what is said in this bill to provinces like Ontario, B.C., and Alberta is: "You three will be selected, out of all the Canadian provinces, to have your poor, your elderly, your children, and your needy made subject to an arbitrary limit on how much they need. Even though you three provinces contribute the funds and the wealth to allow us to equalize opportunities across this country, you will not be able to share the resources this country has for looking after its most vulnerable citizens".

We are talking a lot about concurrence now, about the abilities of different levels of government to share power and share the responsibilities in a number of fields: culture and communications, the environment, management of the economic union, and society. Yet, we have here a violation of the fundamental bargain of Confederation, which was that we will share and will treat each other equally. This bill violates that bargain.

Three years ago those of us who cautioned against the free trade deal and cautioned that it would affect our social programs were told that we were scaring the elderly and the poor with no cause whatsoever. I want to examine a pattern of changes in public policy in the area of social programs that this government has taken us through since that 1988 election.

There is the deindexing of child benefits. Who does that hurt? That hurts those in this country with the lowest income. There is a steady cut in funding for affordable housing, the lack of which has been identified as the single main cause of poverty among children and among Canadian women.

• (1610)

There is the elimination of the Rental Rehabilitation Assistance Program, which allows tenants to upgrade rental housing, but home ownership still gets assistance from this government.

There are caps on the contributions from the federal treasury to programs for young offenders. Yet a new Young Offenders Act has been introduced which is punitive to young offenders when there are no services available.

There are cuts to family allowances and the old age security clawbacks. There is unemployment insurance. Again the poorest are being asked to make up for the cuts in training dollars that this government has carried out since its election. I say the poorest because there is a limit on how much people can contribute to unemployment insurance. Those earning the least contribute the most.

We just dealt with Bill C–20 in which we are talking about caps on our contributions to funding our health care program. Here we are again capping the Canada Assistance Plan, which is a fundamental program of our social safety network.

I say to the government that the people who were talking three years ago about free trade, about harmonizing our social programs with the levels of poverty and human degradation of our trading partner to the south, were not the ones who were scaring Canadians. It was this government that was misleading Canadians about its commitment to our social safety net, to our social system and to the dignity and respect that we believe as Canadians every human being in our society should have.

In the three years since the free trade agreement was implemented, we have moved steadily and systematically under this government toward harmonization with a social system that is inferior to us and which creates inferior human beings out of poverty.

This bill is just the latest nail in that coffin.

Here we stand, less than two weeks before Christmas, processing the second in a series of bills, but the 20th or 25th in a series of actions by this government, to further entrench poverty and dependency in this country.

Here we stand, before Christmas, with more people facing more hardship in this, one of the wealthiest nations in the world. That is not the kind of Canada those who have sat in these seats before us tried to create. It is not the kind of Canada that I hope I am here to try to create for the next and for future generations.

I can only say, in the strongest possible words that I condemn this bill. I condemn the fundamental dismantling of the Canadian commitment to sharing and equality of opportunity it represents.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am pleased to stand in this House today to address the question of Bill C–32, an act respecting the Canada Assistance Plan.

I do so because I feel that it needs to be discussed, debated and reconsidered.

Let us just consider what we are talking about. We are talking about putting a cap on the Canada Assistance Plan. We are talking about telling those provinces in Canada that are richer on a relative basis, that is Ontario, British Columbia and Alberta, that the federal government, which up to now used to share a number of social assistance programs with the provinces, will do so only up to 5 per cent.

At first glance, people would say: "Well, what is wrong with that. I mean that seems to make some real sense when we have a large deficit and a large debt". However, let us consider the ramifications of such a decision. Picking on those three provinces already contributing massive sums of money to be redistributed within Canada to those provinces that have less means that they will feel, and justifiably so, picked on again and some more.

The freeze that was put into place has now been extended. There were tensions created then because it was challenged in a court of law. It will continue to be challenged, if not in a court of law, certainly from a moral perspective, a political perspective and a practical perspective.

I abhor any kind of legislation, any kind of government action that will simply increase the tensions in this country at this particular point in time.

It is also extremely sad that these provinces that have more relatively speaking are being asked to contribute even more, even though they are already giving a whole lot as a result of a problem that has been for the most part created by the federal government itself. Much of the problem has been created by the federal government.

[*Translation*]

We know because we have been talking about it for a long time. When we discuss our country's economic policies, we know that an effort has been made by the government to slow down the economy. Because of the high dollar and high interest rates, we are in a recession which started a long time ago and which unfortunately persists. How did that happen? More people are unemployed; more people rely on social services in our country. Because of a recession that was caused by the federal government and has a direct impact on people who need that help, we ask the provinces to continue to meet the needs of their population, and then we say: "up to a certain point". So, you see the contradiction. I find this really unfortunate.

I find a second thing regrettable.

[*English*]

When talking about control of expenditures, I mention this and I am going to mention it again and again and again, the government brags about having capped its expenditure level at around 3 or so per cent. It flaunts this. It must simply admit to the Canadian people that it has done this on the backs of the provinces, on the backs of the taxpayers.

If I were to take my debt, walk around this afternoon and simply parcel it out I could walk out with very little debt, perhaps no debt at all. How fair would it be to dump this on the backs of others?

This is precisely what has happened. I do not want to be particularly unkind because we are in that season in which one has to be even more generous than usual. There is not only a contradiction but there is an element of hypocrisy. It is simply untrue that the debt is being controlled effectively because much of that debt is in fact going to be absorbed by the provinces and by the people in those provinces.

We have particularly seen that in the whole area of education. The student debt is going right out of sight. In fact, there are fewer students who are continuing their education. They fear to do so because there are no jobs at the end, once they have completed their courses.

This action on the part of government raises a number of other serious questions. Which other provinces will be capped? If you cap some why could you not cap the others? I know that those which are capped are the contributing provinces. They are the ones not receiving assistance from the other provinces but rather contributing to it. What would prevent the government from saying: "We're going to take the next two in line in terms

of per capita wealth and we're going to cap them to this particular level?"

Once you have started to do that—

[*Translation*]

It is obvious, in my opinion, that we could continue to do so, that we could come up with a new formula. Given the great priority that the government seems to put on controlling the deficit and the debt, especially on the backs of the provinces and their population, that possibility should not be disregarded.

[*English*]

When you talk about other provinces possibly being capped, you should not forget that there might be some other programs that are also capped, reduced, or eliminated. Why? Because the government wants to try to pretend to the Canadian people that it has controlled the deficit and the debt. It will take on any measure in order to try to make that point, even though it is most misleading. As I indicated before, it is not a control of the debt, it is simply giving it to others to accept. It needs to respond to the concerns of its citizens.

• (1620)

Let us review very quickly some of the negative effects this particular bill will have on Canadians. Dental care for many Canadians will be affected, as will essential living services for disabled persons. Disabled Canadians are among the poorest of the poor and they will be affected. We know that.

There is the issue of foster homes for abused children. We have talked a great deal during the last day or two about the need to respond to children. Here we have a government program that runs counter to this. I find that terribly disconcerting, contradictory, and certainly misleading.

There is the issue of safe housing for abused women. You and I and all of us here have heard the rhetoric with respect to what the government intends to do in this area. Here is a decision that is being made that is going to affect women who are abused. It cannot simply continue to say things that sound right and on the other hand act differently or completely opposite to what is being said. It does not wash any more.

There is the issue of subsidized child care for low income families. I have spoken about poverty.

[*Translation*]

As for poverty in this country, one of the richest in the world, five million Canadians live at or below the poverty line.

An hon. member: It is unfortunate.

Mr. Duhamel: Yes, it is very unfortunate and there are over a million children in that group.

I mentioned the food banks that will feed almost two million Canadians this year, 40 per cent of whom will be children.

[*English*]

Here we have a bill that will remove the subsidization to child care for low income families. We all know that the Supreme Court decision has given the federal government the right to cut welfare transfers to the provinces, but it did not provide the government with the moral right to abandon its responsibilities to poor and disadvantaged Canadians.

While I recognize that it is extremely difficult for any government to look at what it has done and admit it has done something really frightening and fundamentally wrong, I would hope that in the spirit of Christmas and the spirit of the holiday season it might for once do the right thing.

[*Translation*]

Those are my comments. I hope that they will be given some serious thought.

[*English*]

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I spoke before on this bill and here I am speaking on it again. Before I proceed with that, I would like to congratulate the House of Commons committee on the good report it has introduced trying to deal with this question of poverty and child poverty across Canada.

It is my hope that the government will look at those recommendations with an open mind and try to set up some sort of a strategy to deal with child poverty in a very effective and direct way early in the new year.

There has been a lot of discussion on this question of child poverty in Canada and there have been a number of reports. The Senate committee on Social Affairs,

Science and Technology just very recently released a report on this whole question of child poverty.

I am not going to read all the recommendations, but I am going to indicate three of them because I think these recommendations are very relevant to the subject matter at hand.

First, the committee recommended that the federal government fully support the objective of substantially reducing child poverty in Canada. Toward that objective, the committee recommended that the federal government show leadership by undertaking co-operative strategies with other levels of government and the public at large to address the needs of Canada's children living in poverty.

This is the first recommendation.

The second recommendation is for a national conference involving all levels of the federal government on the subject of shared solutions to the problem of child poverty in Canada to be held within the next 12 months. This is important and timely.

Another recommendation is that the federal government in collaboration with the provincial and territorial governments set out a policy, as quickly as possible, on national child care outlining a range of child care options.

There are in excess of 16 different recommendations that came out of this report on the question of child poverty.

Why did we pick child poverty? It is a timely subject especially in light of the fact that Canada endorsed the United Nations Convention on the Rights of the Child. This is an excellent step in the right direction toward solving the question of poverty once and for all in Canada.

At the same time, because this debate is taking place during Christmastime, I wanted to focus on the question of child poverty as it relates to the city I represent. While many of my colleagues think we live in a fat city, in fact, as in anywhere else in Canada, we also have child poverty here. One out of every four children in the city of Ottawa lives in poverty. Ottawa is one of the largest cities in Canada.

When you look at the poverty rate for families with children in our region, it is almost double the rate of families without children. In this region alone over 12 per cent of families with children are poor in comparison with 6 per cent of families without children. It is almost double. Translated into numbers, there are almost 13,165 poor families with children.

Poverty hits children the hardest. When you look at children in schools, you will find that one out of six in this region under the age of five are poor. Almost 55 per cent of families with children are poor when the household maintainers are under 25 years old. The younger those family maintainers are, the greater the chances of them being poor. This is especially so when it comes to single parent families.

We have approximately 10,500 children living in 6,000 poor two parent families in this region. This is a serious problem facing not only our city but also has a tremendous impact on the schools that are trying to provide them with the education they need.

According to the latest statistics, almost 50 per cent, or 5,930 poor families with children have a household maintainer who has not completed high school. About 50 per cent of the poor families in this region, whether they are men or women, have not completed high school. This is twice the national rate across Canada when we talk about a dropout rate of 30 per cent.

When you look at the number of households where there are those who have post-secondary education, we have only 11 per cent in our region. That is only 1,200 families. It gets even worse when you look at the poor families where one of the household maintainers or supporters has a university degree. It is a very small percentage of people. It is only about 3 per cent or 935 families.

• (1630)

That is the kind of situation we are dealing with when it comes to poverty, especially in our inner cities.

Many of my colleagues might suggest that the reason we have poor families is because poor families have too many children. You would be surprised to learn that the majority of poor families, or approximately 78 per cent in our region, have one or two children at the most.

Also some people think that just finding a job is the answer to poverty. In fact, according to the Social Planning Council and its report on child poverty in our region of Ottawa—Carleton, many of the people who

even have jobs live below the poverty line. It is a fairly large percentage of those people.

A lot of people think that people on welfare are single men too lazy to work. Unfortunately and fortunately at the same time, if we look at the people who are actually dependent on welfare cheques, 41 per cent of them are children, 17 per cent of them are disabled and 16 per cent are single parents.

Because of time constraints I am not going to go over the recommendations in other reports such as the Canadian Teachers Federation, the Standing Committee on Social Welfare and the Social Planning Council of Ottawa—Carleton in its report *The Other Side of Fat City*.

I am going to make reference to two recommendations which were made by our caucus. One of them could deal very effectively now with child poverty as it relates to school boards. We recommend that the federal government immediately participate with provincial and territorial governments, school boards, and community volunteers to provide nutritionally balanced breakfasts, lunches, and snack programs in schools throughout Canada. The reason we suggest this is because empty stomachs have no ears.

We also recommend that the federal government start immediately to look into redesigning the tax system to make it more equitable, to help families cope with the added expenses of raising children and to simplify the federal child benefit system by the beginning or by the end of April 1992.

These are all recommendations which were made. It is my hope that the government will have a chance to look at all these reports and hopefully in the new year it will come up with a strategy whereby we can solve the question of child poverty once and for all.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I had not intended to take part in the debate at this stage of the discussion in the report stage of Bill C-32, but some recent events in my constituency have prompted me to rise at this time to draw to the attention of the government and of Parliament the increasing numbers of people who are having to turn to welfare or social assistance as a result of what seems to be a breakdown in much of the UI system.

The relevance of course to this bill is that the government is attempting to do through legislation what can only be described as an act of Scrooge in the days before Christmas. It is attempting to transfer it's debt load on to our provincial governments in areas having to do with social assistance and welfare and many other financial cost sharing programs that impact directly on single parent families, on the poor and disabled, on injured and sick workers, those who are lining up at the food banks and the working poor.

There is something happening right now. I would like to quote very briefly from a memo that I just received from my constituency staff. My assistant in Nelson, B.C. says:

"People are mad as hell. I hear of fears for staff safety at the Nelson UIC office. It is taking at least six or seven weeks for first cheques in the most simple circumstances. If anything goes wrong with your claim, you face welfare until it is resolved. It is bad and we see little sign of it getting any better despite reassurances from UIC management".

This is just one additional way that at the same time as the federal government is cutting back on what should be its legitimate contributions toward caring for the unfortunate, the laid-off, the sick and the disabled in our society, the policies and management policies of this government are driving more people off work, off wages, on to UIC, off of UIC and on to the welfare system.

A few months ago the government moved to do that as well when it changed the eligibility for unemployment insurance to make it more difficult to qualify for unemployment insurance on the one hand and, at the same time, shortening the term of the benefit period during which workers could collect unemployment insurance.

This federal government has been attacking it from both ends at the same time as it has been cutting back on its contributions. It has driven people off of unemployment insurance and on to welfare. Through mismanagement in the UI system it is causing tremendous delays for people to be able to get their UIC cheques, even when they are qualified to get them. The provincial governments across the country are being stuck with the bill, at least those provinces that are affected by the cap on the Canada Assistance Plan.

Apart from the human impact of this, what does it mean financially? The provinces, generally speaking, have to pay a higher interest cost for borrowing than does the federal government, and a much higher proportion of their borrowing has to take place outside of Canada than is the case for the federal government. Therefore, for a whole range of macro-economic reasons it is also suicidal for the financial and economic health of the country. It also wreaks havoc on the lives of ordinary Canadians who find themselves in unfortunate situations.

Why is the government so determined to pursue this kind of policy? We know there are debt problems here. There are debt problems all over the country for respective governments. Except for sheer partisan political reasons, why should it dump the costs on to those jurisdictions that have to pay a higher cost for money than would be the case if that money were to be borrowed by the federal authority? It just makes no sense from any vantage point, except for partisan politics.

Surely the matter of the welfare of hundreds of thousands of ordinary Canadians deserves a secondary consideration. While this government is doing this, it is also taking other actions that are going to make the same matters worse for a number of other reasons.

Just yesterday in the press we saw an announcement that the federal government was going to be cutting off funding for the Canadian Centre for Occupational Health and Safety. Some people on the other side may wonder what that has to do with Bill C-32. One of the areas of research that CCOHS has been very involved with in terms of industrial health and safety has to do with preventing the kind of sickness, preventing the kind of injuries that cause people to go on to income assistance by levels of government, by compensation boards and by social assistance. Many of them will not for one reason or another qualify for workers' compensation benefits.

Again, the government seems intent for whatever reason to take financial actions which will result in more and more people going on to the welfare rolls at the same time as it is cutting back on what in past years the government has claimed to be its legitimate share of the cost of social services.

• (1640)

It is irresponsible and it is wrong and economically and financially, it just does not make sense.

In closing, I would simply hope that over the Christmas season, regardless of what happens to the motion before us at report stage today, the government perhaps may be visited by three spirits and like Scrooge turn over a new leaf over the Christmas holidays and when we come back present all of the people of Canada with a gift, and that is not to proceed with Bill C-32.

That would be blessing us, every one, and in this pre-Christmas season that is what I would ask the government to consider.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I too am pleased to stand here and speak to report stage of Bill C-32, an act to amend the Canada Assistance Plan.

Although I had spoken to this bill earlier I would like to speak again because today I would like to address the issue of child poverty in particular.

Through this legislation the government will cap the Canada Assistance Plan transfers to three provinces, Alberta, British Columbia and Ontario. Obviously the federal government must believe that there is no poverty in these three provinces. I think that we can all attest to the fact that poverty exists in just about every region of this country, and certainly my province of Ontario is not any different than the others.

The Canada Assistance Plan was enacted in 1966 to assist and encourage the development and expansion of social assistance and welfare services throughout Canada. Under the plan, the federal government agreed to share 50/50 the costs incurred by the provinces and municipalities in providing social assistance and welfare services to needy Canadians. The people who benefit most from this plan are those who are the most vulnerable in our society, those who suffer from poverty, neglect, disability, the homeless, the elderly, abused children, abused women, low income families. More often than not it is the children who suffer the most. Currently there are over one million poor children in this country.

This Christmas close to 300,000 children will go hungry. UNICEF has said that Canada's proportion of children living below the poverty line has increased over the past couple of years, and yesterday we saw that the

Prime Minister finally ratified the UN Convention of the Rights of the Child after signing it well over a year ago.

What are the commitments which Canada must now live up to? The commitments that were made at that time were that the children of the world would get a first call on the resources of their respective nations and ultimately of our entire civilization; that mortality rates for children under five would be reduced by at least one third; that maternal mortality rates would be reduced by one half; that there would be access to safe drinking water and proper sewage treatment; that there would be primary education for at least 80 per cent of primary age children; that there would be a reduction of adult illiteracy by at least one half; and that children would be protected in situations of armed conflict.

The ones who immediately come to mind when I think of children who have not been protected in armed conflict are the children of Iraq. What is happening there today as a result of the armed conflict in the Middle East is absolutely tragic for those children.

Fulfilment of the commitments made at the summit would save the lives of some 50 million children worldwide. One hundred and fifty-nine nations signed this convention over a year ago and as of December 6 of this year one hundred and two were "states parties" to the convention either by ratification or accession. Canada's ratification yesterday boosted that up by one more.

Canada now joins countries such as Bangladesh, Ethiopia, Ghana, Honduras, Indonesia, Malawi, Pakistan, Sri Lanka, Yugoslavia.

If time permitted, I probably could name all of the 102 but there are other things to talk about.

The reason I mention these countries is that most of the countries which have already signed the convention are impoverished or embroiled in violent struggle. Certainly they will face overwhelming odds to live up to the promises made in the convention. For some signatories, it will be almost impossible. Luckily for Canada living up to these commitments is not impossible.

However, it will take political will on the part of this government to ensure that appropriate and adequate resources are channelled into eliminating child poverty here at home and abroad.

It is clear that there must be an expression of substantial public interest that these promises be kept. The hope that they represent is paramount. There is a world-wide campaign under way to ensure that all countries that have signed and ratified the convention will indeed live up to its promises. It is called the "Keeping the Promise" campaign. I had the honour earlier this week to speak about our world's children and this convention to a group of people from the city of Nepean and from all of the national capital region involved in the "Keeping the Promise" campaign.

On December 9, 1991, the Ottawa Youth Orchestra and the Ottawa Youth Choir dedicated to the children of our community and the world a concert at the Centrepointe Theatre in Nepean. These young people presented me with a petition containing 150 signatures, their signatures, all young people from the ages of 13 up, saying: "Please Mr. Mulroney, keep the promises made at the World Summit for Children".

Canada must lead. The government must ensure that it put in place its fair share of the funds necessary to keep the promises internationally. As passed in an all-party motion yesterday, our commitment amounts to 5 per cent of the cost of keeping the promises internationally. For Canada 5 per cent comes to $350 million.

We must also set the example for the rest of the world by meeting the commitments here at home. This will be increasingly difficult if the legislation before us passes. It is the provinces and the municipalities that provide the programs to meet the needs of our children, and there are simply too many.

The children are the innocent victims of the dour economic conditions created largely by this government. Today my colleague here in the House of Commons, the member for Winnipeg North, presented to us a wonderful report called "A Child Investment Strategy". It is the Liberal minority report on child poverty. I would like to congratulate him for putting together such a very worthwhile document. This minority report calls for a child investment strategy that would have marked the begin-

ning of a 10-year campaign against all child poverty in Canada.

As one colleague said in the House yesterday, the government has yet to put forth a clear plan of action on the elimination of child poverty in Canada. The young people who signed this petition were most concerned that they had not seen a clear plan of action on the part of the Government of Canada and the Prime Minister.

This Liberal minority report, among its many well constructed recommendations, suggests that the federal government withdraw Bill C-32 because it is a very dangerous bill.

There are three main reasons for submitting this report. First, the report by the subcommittee on poverty, as accepted by the House of Commons Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women, fails to deal immediately with child poverty. Two, the report that I just mentioned fails to inform the House of Commons and Canadians of the extent to which federal government policies have directly and dramatically increased poverty in every region and city throughout Canada. Three, the government's report says there are measures that can be immediately taken to ensure that the attack on child poverty is not deferred for another decade.

Fifty per cent of the people who use food banks are children. Many of these children could be helped more directly in the school system. We believe that the federal government should participate with provincial governments, through the boards of education, in the provision of nutritionally balanced food within the school system.

• (1650)

Changes to the Unemployment Insurance Act introduced by this government have radically altered the nature of the unemployment insurance program and have affected many people across the country. This government should recognize the negative impact of the recent change to the Unemployment Insurance Act and immediately restore entrance requirements and duration of entitlements to pre-Bill C-21 levels.

I recognize that my time is up. There are many more things that I would have liked to have had the opportunity to say. However, I thank you for the privilege and the capability of standing in this House. I encourage the government to study the report by the hon. member for Winnipeg North and implement this recommendation and the others included within it.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I am pleased to rise and speak against Bill C-32 which will put a cap on the Canada Assistance Program.

Curiously enough, the year before Centennial year, in 1966, the government of the day made the social commitment to match the provinces' contribution to the Canada Assistance Program. Curiously enough, as I was saying, 25 years later, one year before the 125th anniversary, the present Conservative government has decided to cap the Canada Assistance Program. It makes you wonder. Is the Reform Party so popular that the Conservative government would want to bring its policies in line with theirs? Here is the Reform Party's policy on this problem:

[*English*]

"The Reform Party calls for a new social services order with government's role in social services reduced and non-governmental agencies, business, volunteers and families assuming a greater share of the responsibility to care for those who cannot care for themselves".

[*Translation*]

Does the Conservative government want to move in that direction by bringing its programs in line with those of the Reform Party of Canada? I ask government members whether they have any respect for the poor or for the young. Do they not have a social conscience? I am being rudely heckled by members on the other side. I know it's Christmas and that they want to go to the Speaker's party, but I would ask them to listen a bit.

[*English*]

"Eighty-five per cent of CAP spending falls under its provisions for social assistance which include social assistance for persons in need, including single parents, the aged, the disabled, the unemployed, the low income families and children in care, care in homes for special care such as homes for the aged, child care families and transition houses for battered women".

[*Translation*]

Once again I am heckled by members on the other side. They are shouting insults at me because I am reading part of my text. When we speak about women, I find it really odd that the member who shouts the loudest in the House is a woman, a Conservative.

[*English*]

"Certain uninsured health care costs, such as drugs and dental services and child welfare costs including maintenance costs in foster homes".

[*Translation*]

This is a most important and serious matter, and the less fortunate need a bit of love. It is not the time for government members to try to trip me up in my speech as I endeavour to explain why this proposal is wrong. We are shirking our social commitment to the poor and women. Well, that Conservative women member can go on shouting insults at me.

I must tell the hon. member, that I feel for children, elderly and women.

In Ontario several people move to the national capital region. I had the honour to sit on the committee on social services for five years, and I could see that different groups were asking help from the regional government. Some were even asking help for funeral services because they could not afford such a luxury.

When we look at the most recent reports on social services in the national capital region, that is the Regional Municipality of Ottawa—Carleton, we find out that spending is increasing twofold and fourfold right now and that the national capital people would like to give more to the people really in need in the community. I submit that the conservative government is saying now to the province of Ontario: "You are very rich, so you pay more". That might seem alright if there was less unemployment in Ontario, if the economy was healthier, if people were spending more, if there was less bankruptcies. Every day on the news we hear of corporate and personal bankruptcies. That shows how bad the state of the economy is. People are so hard pressed in Ontario. That province has the highest rate of cross-border shopping in Canada. We point the finger to free trade, to the economic policies of this government and this government says in turn: "Listen, we will put a cap on our assistance to provinces, Ontario for example". And they ignore the fact that statistics shows very clearly that in the case of battered wives and abused children—

Mr. Kindy: On a point of order, Mr. Speaker, I would like to inform the House that Ukraine has officially recognized Croatia. I hope Canada will do the same. Thank you.

The Acting Speaker (Mr. DeBlois): The hon. member has been in the House long enough to know that, quite apart from the importance of the matter, this is not a point of order. The hon. member for Carleton—Gloucester has the floor again.

Mr. Bellemare: Mr. Speaker, I am very disappointed by the behaviour of the hon. member who thinks that since we are on television he can interrupt the proceedings for a flash on something which happened outside Canada and has nothing to do with a point of order.

To conclude, I would say that our government has lost its social conscience. Up to a while ago it seemed it had a little, not very much, but a little social conscience. But now, it is moving ever closer to the policies of the Reform Party by saying: that the federal government will involve itself less and less in social programs presently shared with the provinces. We are going to ask Canadians to do more volunteer work. We are going to ask companies not to contribute and help people in need of social assistance.

• (1700)

Mr. Vincent: On a point of order, Mr. Speaker, I would like to ask unanimous consent of the House to table a document which should have been tabled earlier today, but was not, regrettably. I hope that in the holiday spirit, my colleagues will be kind enough to give their consent.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to table that document?

[*English*]

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

FREE TRADE AGREEMENT

SUSPENSION OF PRIVILEGES

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I thank my hon. colleagues in both parties.

I would like to table two copies of a document, in both official languages, pursuant to subsection 59(3) of the customs tariff, respecting the suspension of privileges granted under the free trade agreement.

GOVERNMENT ORDERS

[*English*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed consideration of Bill C-32, an act to amend the Canada Assistance Plan, as reported (without amendments) from the Standing Committee on Finance; and the motion of Mr. Langdon (p. 5964).

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, the debate on CAP has been going on for a fairly long time now. Many people have used their time discussing the issue and how it would affect Canadians in general, how it would affect children and how it would affect the poor across this country.

My concern comes back to two or three issues that have to do with the CAP. First of all I think a program put in place that will cause very great hardship to many people in my area is an unfair program. In this case I look at what is happening with employment rolls and the difficulties in southwestern Ontario, not only the farm community problems but also difficulties with dismantling of manufacturing throughout Ontario. I quickly realize our welfare rolls have swelled and who has to pay the bill. Very clearly there are policies in place and bills have to be paid.

It seems very unfair that this government through a quick act, through a stroke of the pen, would say it is no longer responsible for the policies that have occurred in the past short time. What I am referring to is the fact that many of the policies carried out in the name of management by this government have created very difficult times in southwestern Ontario.

When we look at the free trade agreement, at the great promises that were made in it and at the results of that free trade agreement, we see that there were thousands of jobs lost, thousands of people out of work. We see children having a very difficult time of it. I see that for people in every walk of life. Whether it is small business, the farm community, the factory worker or big business in my area, the dollars are not there to support the economy as there were in the past.

The wardens of both Kent and Essex counties tell me that their welfare rolls have doubled, tripled and greater than that in some cases. In speaking about the numbers of dollars they require for social agencies to operate, their budgets have just skyrocketed far beyond their ability to pay.

In my community in Blenheim we have had a tax revolt which is the voice of the people saying that the taxes being imposed on them are far too strenuous in these times.

At the same time the federal government has created many of the problems with the policies it brought forward and is now saying that it is opting out of the bottom end of this whole thing by taking away support moneys to the programs put in place to help those in dire need.

I feel that the government really has put itself in a corner. As I stop and think about that I really wonder what type of managers the Tories are. I have to say they are poor managers.

When I was speaking a little earlier I heard three members across the benches suggest that the national debt when they took over was far higher than I recall the statements being. One member from Calgary suggested the national debt was as high as $206 million. Another suggested $220 million.

I have an inquiry that was sent to the then Minister of Finance, the hon. member for Etobicoke Centre. The question directly asked him what the national debt was in 1984. The answer he sent back was that the national debt

was $167.985 billion. The national debt in 1984 was $168 billion, approximately.

Our national debt today is skyrocketing over $400 billion which is well over 100 per cent increase. We hear week after week that it is because of the interest rates they had to pay back in 1984. Their spending was in excess of $30 billion beyond the revenues collected. They had to pay a national debt on interest of $22 billion which they attribute to past governments.

It is very clear in my mind that they not only spent $30 billion beyond the tax dollars they collected, but they did not point out at the same time that the government amounts received had increased to the point at which they have raised taxes since 1984 until today approximately one-third more than were available then.

If I were to take the government revenues in 1984 they were $64 billion. Today they are $128 billion. If I look at the government expenditures in 1984 they were $96 billion. Today they are $148 billion.

The government has spent a great deal of money on various programs and done many things it felt were directions it should carry out, but it did not consider where it was spending money or who it was supporting.

I have some real concerns that tax increases have been tremendous, that revenues have increased dramatically over the last six or seven years. At the same time the revenues increased it has built a $30 billion debt year after year on top of that. The end result is we are now sitting with an accumulated debt of well over $400 billion.

We do not have money to support programs that need to be supported and the government is saying it is fiscally responsible by cutting moneys that need to be spent on the poor in this country today, on welfare programs which are there to support most of our communities.

When I realize that it is just transferring that responsibility on to the provinces and on to the municipalities then I wonder what type of manager it really is. I believe that if it were responsible, the government would stop and look at the real basis for the programs it has.

• (1710)

I believe at this point that the government should start to examine how those overexpenditures are being created. We have to question whether building buildings or other projects under way are the things to do. Should we be dealing with the poor, the weaker people in the economy, ensuring that education goes well, that lunch programs and schools go well, that those people who are having a very difficult time have the basic devices of life so that they can learn and increase their ability to be citizens in this community and are able to give as much as they can?

The direction we are moving in with this bill is retarding the ability of a great of number of people in this society to do the best that they can do. The problem is that we are not looking to the future. Presently we are looking at saving a few dollars, which create tremendous costs in the future.

Uneducated people, poorly nourished people who cannot learn, are going to be the children of the future if we do not change some of the things that are going on.

It is clearly evident that government has been very poorly managing our society. This bill is creating a tremendous disaster for the weak and the people who need support in our communities.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I would like to speak to this bill on report stage, Bill C-32, an act to amend the Canada Assistance Plan and the Motion No. 1 to delete clause 1.

Bill C-32 was given first reading on September 18, 1991. The bill will effectively extend the limit on the 5 per cent increases in federal contributions to British Columbia, Alberta and Ontario until 1994-95. These provinces are not receiving equalization payments.

This will prolong the agony even more by not understanding the call of the National Council on Welfare which says this must not happen. An advisory body of 21 members composed of present and past welfare recipients, social workers, lawyers, professors, people from all walks of life give a perspective and advice as a body to the minister of health. Yet, the minister of health of this government has turned deaf.

When the Supreme Court of Canada made its decision on August 16, 1991 saying that the federal government has a right to withhold its contribution it did not say that it should do it. The court only conferred the onus of that responsibility on the federal government. When that decision was announced the executive director of the Canadian Council on Social Development, Mr. Patrick Johnston, said: "The decision of the Supreme Court paves the way for the federal government to further limit

its financial support for essential social programs". This was said barely one month before this bill was introduced. The prediction and fear have happened already. First we allow the extending of the limit until the year 1994–95. It will only be a matter of time until it will be extended to the other provinces.

According to the estimate of this government, the three affected provinces were to lose $2.135 billion over the 5-year period anticipated in this proposed bill. Perhaps at this time of year this government may mellow. Perhaps in the spirit of Christmas it will see a miracle and change its heart.

I would like to review the background of the Canada Assistance Plan.

At the time of Confederation, assistance to those in need, such as the ill, the aged, the disabled and those who felt the consequences of family break-ups and were suffering, was given by charitable organizations and charities, at the time mainly in rural areas.

The Fathers of Confederation gave the social assistance jurisdiction to the provinces. However, it became clear in the 1920s and 1930s that the Fathers of Confederation were wrong. The obligation to help the poor and those in need is truly a national one. Hence, the Canada Assistance Plan was born in 1966.

A year before that, a great Liberal, Mr. Lester B. Pearson, gave his vision of how to help those in need in the throne speech. That is the Liberal vision which this Tory government is trying to erase from the map of Canada.

The Canada Assistance Plan has two basic objectives: to eliminate poverty and, at the same time and even more important, to prevent and remove the causes of poverty.

Who benefits from the Canada Assistance Plan? In 1988–89, 1.85 million Canadians benefited from the Canada Assistance Plan, of whom some 40 per cent, over 780,000, were children. Not only that, but the volunteers in volunteer organizations who help these poor children feel that there is recognition of their work if the Canada Assistance Plan is in place.

This government is trying to take that away. What message are we sending to our volunteers in the country? The Canada Assistance Plan has been described as a social bond, as the cohesive glue that binds our country together. What a better glue at this time when the forces of disunity are threatening to disrupt our country.

Through this amendment the government is violating the spirit of Canadian nationhood. It is violating the sacred trust of Canada's social programs. If this government pursues this amendment Canada would take a great leap indeed, but a great leap backward.

Also, the Canada Assistance Plan, in addition to the Guaranteed Income Supplement for low income pensioners, is the only remaining national program that explicitly fights poverty. It is a program for poor and modest income families to access child care services in the provinces.

As long as we still do not have the national child care program which this government promised in 1988, which until now has not been implemented, at least there is an escape in the Canada Assistance Plan and an escape valve for children in need of child care spaces.

This government is even trying to plug this escape valve. Where is the soul of this government? Therefore, at Christmastime I say: "Please, open your hearts. Rescind this amendment".

In conclusion, I would like to repeat that the intention of this government to amend the Canada Assistance Act is a great step backwards. Canada would make a great step forward if this amendment were rescinded. I support the amendment of the member for Essex—Windsor.

• (1720)

This morning the subcommittee on poverty tabled its report and the Liberal caucus decided to issue a minority report. Why is that? It is because the majority report of the government members completely ignored the sense of urgency to help our poor Canadian children. It completely ignored the witnesses that we heard over one and a half years who would like to have measures introduced for food, clothing and shelter.

We recommend a series of proposals, such as the establishment of a national nutrition-based program for breakfast, lunch and snacks and to immediately restore the entrance requirements and duration of entitlement

to the unemployment insurance benefits as they existed before Bill C-21.

We have asked the government to withdraw Bill C-20 and this Bill C-32. We would like an immediate job creation program this winter not next winter. You cannot postpone the temperature.

Finally we have asked that the federal minimum wage be immediately increased to $5 per hour. In the spirit of Christmas let us rescind Bill C-32 and we can go back to our provinces with a clean conscience and a conscience that we can share with Canada's poor.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I am sure the House is disposed to have me speak for a very short time and I will undertake to do that.

It is seldom that I get the nod from my colleagues from the government side, but I suppose it is Christmas time and one is expecting to get some dispensation on these special occasions.

In all seriousness I did want to make a few comments on this bill. Essentially this cap affects three provinces. While they are outside the jurisdiction of my responsibilities as a federal member of Parliament I will say two things about that. While the cap does not apply to my province of Newfoundland, it does apply to three other provinces that are very close to Newfoundland in many ways. I am going to pick Ontario because as the economy of Ontario goes so does the work prospects of many Newfoundlanders who in the past would leave their homes, their residences or their towns to go and seek work in places like Toronto and other towns and cities in Ontario.

We felt the pinch of about a half a billion dollars if we total it all up in Newfoundland. This is because of a reduction in transfer payments in our case which reduced secondary and post-secondary education and hospital care. I have spoken on this frequently in the House and I am not going to repeat myself this evening. But this cap, as it applies to the province of Ontario and the other two provinces, concerns me greatly.

I do want to compliment my colleague from Winnipeg North who enunciated very clearly some of his concerns. The budget of February 26 was not the most popular budget in the world. This is I suppose the last act of clearing up what is left.

If I could be permitted to finish in a civilized manner, I would very much appreciate it. I am not known as a heckler on this side of the House so I would ask the indulgence of my comrades across the way.

I think it would be worthwhile for us to remind ourselves who this is applying to and who it is going to affect the most. Who does this cap apply to? Well, I am going to just remind us, just before we close this session of Parliament, that they are the people that I come in contact with as a member of Parliament. I am sure all our colleagues come in contact with them.

[*Translation*]

Among those who benefit from public assistance and social welfare services are children in care or in need of protection because they are abused or neglected, the physically or mentally disabled, single-parent families, the elderly, the unemployed, families of persons in distress, low-income workers and battered women.

[*English*]

These are all types of people we have discussed in great detail in this House in the last session since we met here in early September.

I would have to be very strong in support of the amendment put forward by my hon. friend. I am not always known to support the other opposition other than the Official Opposition, but on this particular occasion I would find it very difficult in my heart to do otherwise.

On the basis of those who are affected by this I would be in support of the amendment. Before I do sit down I would like to also take the occasion to thank you indeed, Mr. Speaker, for your good guidance and judicious seating in the chair. I take this opportunity to wish that all my colleagues will put some of the things we have done in the past year behind us and hope that we can go forward with renewed vigour and with renewed purpose in the new year. Merry Christmas to all and to all a good night.

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

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): Negatived on division.

Some hon. members: On division.

Motion No. 1 negatived.

[*Translation*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): moved that Bill C-32, an act to amend the Canada Assistance Plan, be concurred in.

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

Some hon. members: Agreed.

Some hon. members: On division.

The Acting Speaker (Mr. DeBlois): I declare the motion carried on division.

Motion agreed to

The Acting Speaker (Mr. DeBlois): This ends our deliberations. I would be remiss if, on behalf of you all, I did not offer everyone who works for the House of Commons, from the Clerk to the humblest members of the support staff, in whatever capacity, my best wishes for a merry Christmas and happy holidays.

[*English*]

I would like to take a moment of the House's time to bring to the attention of hon. members the retirement of Mr. Aurèle Périard, senior page, who has worked here in the Chamber since 1976.

[*Translation*]

I hope that his years in the House have not been too difficult and if his work load was heavy at times, we hope that it was made lighter by the energy and enthusiasm of hundreds of young Canadians.

[*English*]

I know that hon. members will wish to join me in thanking Mr. Périard for his many years of service and wish him good health in retirement.

Some hon. members: Hear, hear.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I remind all hon. members that we will drink to each other's health right near here.

It being 5.30 p.m., pursuant to Standing Order 28(2), the House stands adjourned until Monday, February 3, 1992 at 11 a.m., pursuant to the order made on Tuesday, December 10, 1991.

The House adjourned at 5.29 p.m.

HOUSE OF COMMONS

Friday, December 13, 1991

The House met at 12.45 p.m.

Prayers

[*English*]

THE ROYAL ASSENT

The Acting Speaker (Mr. Paproski): I wish to inform the House that in accordance with the order made Tuesday, December 10, 1991, I have recalled the House this day for the sole purpose of granting Royal Assent to certain bills.

I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa

December 13, 1991

Mr. Speaker,

I have the honour to inform you that the Honourable William Stevenson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 13th day of December, 1991, at 12.50 p.m., for the purpose of giving Royal Assent to certain bills.

Yours Sincerely, Judith A. LaRocque,
Secretary to the Governor General.

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

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

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

And being returned:

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that when the House went up to the Senate chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Bill C-4, an act to revise and amend the law governing federal trust and loan companies and to provide for related and consequential matters—Chapter No. 45.

Bill C-10, an act to amend the Excise Tax Act and the Excise Tax—Chapter No. 42.

Bill C-19, an act respecting banks and banking—Chapter No. 46.

Bill C-28, an act respecting insurance companies and fraternal benefit societies—Chapter No. 47.

Bill C-30, an act to amend the Criminal Code (mental disorder) and to amend the National Defence Act and the Young Offenders Act in consequence thereof—Chapter No. 43.

Bill C-34, an act to revise and amend the law governing co-operative credit associations and to provide for related and consequential matters—Chapter No. 48.

Bill C-39, an act to amend the Canada Pension Plan, the Family Allowances Act and the Old Age Security Act—Chapter No. 44.

Bill S-6, an act to amend the act of incorporation of Metropolitan General Insurance Company in order to authorize its continuance under the laws of the province of Quebec.

It being 1.03 o'clock p.m., pursuant to order made Tuesday, December 10, 1991, this House stands further adjourned until Monday, February 3, 1992 at 11 a.m., pursuant to Standing Orders 28(2) and 24(1).

The House adjourned at 1.03 p.m.

HOUSE OF COMMONS

Tuesday, December 17, 1991

The House met at 4 p.m.

Prayers

The Acting Speaker (Mr. Paproski): I wish to inform the House that in accordance with the order made Tuesday, December 10, 1991, I have recalled the House this day for the sole purpose of granting Royal Assent to certain bills.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bills without amendment: Bill C-3, an act respecting the acquisition, administration and disposition of real property by the Government of Canada; Bill C-18, an act to amend the Income Tax Act, the Canada Pension Plan, the Cultural Property Export and Import Act, the Income Tax Conventions Interpretation Act, the Tax Court of Canada Act, the Unemployment Insurance Act, the Canada-Newfoundland Atlantic Accord Implementation Act, the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act and certain related acts; Bill C-20, an act to amend certain statutes to amend the budget tabled in Parliament on February 26, 1991; and Bill C-38, an act to provide for the continuance of Telesat Canada under the Canada Business Corporations Act and for the disposal of shares therein of Her Majesty in the right of Canada.

I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-47, an act for granting Her Majesty certain sums of money for the Public Service of Canada for the financial year ending March 31, 1992.

THE ROYAL ASSENT

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that a communication has been received as follows:

Rideau Hall,
Ottawa

December 17, 1991

Sir,

I have the honour to inform you that the Honourable William Stevenson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 17th day of December, 1991, at 4 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,
Judith A. LaRocque,
Secretary to the Governor General.

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

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

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

And being returned:

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that when the House went up to the Senate chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Bill C-3, an act respecting the acquisition, administration and disposition of real property by the Government of Canada—Chapter No. 50.

Bill C-18, an act to amend the Income Tax Act, the Canada Pension Plan, the Cultural Property Export and Import Act, the Income Tax Conventions Interpretation Act, the Tax Court of Canada Act, the Unemployment Insurance Act, the Canada-Newfoundland Atlantic Accord Implementation Act, the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act and certain related acts—Chapter No. 49.

Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991—Chapter No. 51.

Royal Assent

Bill C-38, an act to provide for the continuance of Telesat Canada under the Canada Business Corporations Act and for the disposal of the shares therein of Her Majesty in right of Canada—Chapter No. 52.

Bill C-47, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending the 31st March, 1992.—Chapter No. 53.

It being 4.20 o'clock p.m., pursuant to order made Tuesday, December 10, 1991, this House stands further adjourned until Monday, February 3, 1992 at 11 a.m., pursuant to Standing Orders 28(2) and 24(1).

May you all have a merry Christmas and a happy New Year.

The House adjourned at 4.21 p.m.

HOUSE OF COMMONS

Monday, February 3, 1992

The House met at 11 a.m.

Prayers

[*English*]

BOARD OF INTERNAL ECONOMY

APPOINTMENT OF MEMBER FOR SAINT-LÉONARD

Mr. Speaker: I have the honour to inform the House that Mr. Alfonso Gagliano, member for the electoral district of Saint-Léonard has been appointed as a member of the Board of Internal Economy in place of Mr. Jean-Robert Gauthier for the purposes and under the provisions of chapter 42, first supplement of the Revised Statutes of Canada, 1985, entitled an act to amend the Parliament of Canada Act.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 30(6), the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CONSTITUTION ACT, 1867

MEASURE TO AMEND

Mr. Stan Keyes (Hamilton West) moved that Bill C-270, an act to amend the Constitution Act, 1867 (oath of allegiance), be read the second time and referred to Legislative Committee H.

He said: Mr. Speaker, it is an honour and a privilege for me to rise in debate on my private member's bill, Bill C-270, an act to amend the Constitution Act, 1867.

This bill attempts to amend by way of the founding document of our Constitution, the oath of allegiance members of Parliament must swear before they take their seats in this time-honoured Chamber. All members of Parliament, from Gander—Grand Falls to Saint-Maurice to Saanich—Gulf Islands, who put forward their names on ballots for general elections to the Canadian House of Commons and who win the privilege of taking their seats must swear an oath of allegiance before the Clerk of the House.

What is the nature of an oath, Mr. Speaker, be it to Queen, to country, or a general notion of collective values? Members of legislative assemblies across the world swear some type of oath after being elected to or in some cases appointed to national legislative councils. In one sense an oath is a legal requirement, in another sworn for dutiful or moral reasons.

• (1110)

The English philosopher, John Stuart Mill, states in his writing on liberty that an oath is a manifestation and part of the social contract. As Mill states: "What are called duties to ourselves are not socially obligatory unless circumstances render them duties to others. The only purpose for which legislative power can be rightfully exercised over any member of a community against the person's will is to prevent harm to others. His own good is not sufficient warrant."

In other words, an oath is not to be taken lightly and bears on the conduct of each member of this House. The oath of allegiance reminds us of what our primary responsibilities as members of Parliament are; the creation and passage of legislation beneficial to the common good of our country. We are sent here with a mandate from our electors with their faith and confidence in us, and we are rightly expected to act in accordance with the oath we swear before taking our seats in this Chamber.

As we all know, Canadians hold their elected representatives in less and less esteem, with less and less confidence to act in accordance with their best interests. I believe that if we are to reform our institutions, we must build from the bottom up. We must begin this process before we assume our seats in this House or take office and before we put into motion any sort of new constitutional mechanisms.

At this time when many Canadians, elected and non-elected, are thinking about what their Constitution should prescribe, let us first begin by subscribing to values of what we, as members of Parliament, are entrusted with upholding.

Last summer I was listening to a discussion phone-in program on CHML radio in my riding of Hamilton West. The particular program is hosted by a very knowledgeable, colourful individual by the name of Roy Green, whose discussion centres around issues in the public eye, issues of importance to many people.

During one particular week, Roy was talking about the oath of allegiance in relation to public institutions in Ontario. The subject matter of this particular program dealt with the removal of the oath of allegiance from the police act. People were very upset that the oath was being done away with. More recently, the Law Society of Upper Canada did away with requiring the oath to be taken by new members joining the Canadian Bar Association. That one has still got me scratching my head, Mr. Speaker.

Anyway, Roy Green's show got me thinking about our oath. When I called the Clerk's office for a copy of the oath I had sworn to—I must confess, I could not remember all the words because of all the excitement of the moment—and when I checked back to the oath, there was only mention of the Queen, period. There were no guiding principles, there was no mention of Canada.

As we are revisiting our Constitution, I believe it is high time that members also swear an oath to Canada as well as the Queen. Many people were very upset with the way the oath was being cast aside and wanted the oath to remain as is. Other callers to the radio show said that there should also be an oath sworn to Canada. I took this notion from Roy Green's show and decided that, instead of doing away with the oath as it stands, I would build upon it to recognize our history, to recognize our traditions. I decided I would swear an oath to the sovereign, but recognizing our maturing nation I would similarly swear an oath to uphold our Constitution, our laws and the institution of Parliament.

Since 1774, there has been an oath of allegiance in our legislatures which has not borne any mention of Canada. Today members swear the same oath as that prescribed in the Constitution Act of 1867 and not a single word has been changed to reflect the idea of a sovereign nation called Canada. It is because of my respect for our institution and our traditions that I stress again my intention, through this bill, is not to do away with the oath as it stands but to build upon it.

Some members may wish to do away with the oath to the Crown entirely during these times of constitutional change. Others may wish to keep it, and it alone, as the oath they must swear before taking their seats. I propose an alternative which I believe not only recognizes and respects our past but brings home what we are and how far we have come as a country.

Contrary to what some people may think, the Quebec Act of 1774 provided for the protection and promotion of the French community. The act provided that despite attempts to religious conversion from Great Britain, Roman Catholics could hold public office. The Roman Catholic church was established by giving it the power to collect taxes. The civil code was recognized in law and the boundaries of the province were extended. The oath of allegiance did not have to be taken by any person professing the religion of the Church of Rome, recognizing that in order to ensure peace, order and good government, French members of the community would have to be treated as equal members of the community. In 1774 the oath was almost as long as that British members of the Privy Council swear to today.

It was not until the passage of the Canada Act of 1791 that legislatures were created in both Upper and Lower Canada. The oath members at that time swore to is, incidentally, the same oath that members of the British Parliament swear to today; however, even when our Constitution was patriated in 1982, when we broke all legal ties with Great Britain, our oath remained the same.

We often hear debate over what is actually Canadian identity, Canadian culture. Our identity and culture have grown since 1791 and 1867, indeed since the presence of French explorers as early as 1605. Again I say that keeping the reference to the monarchy is not because we are subjects of Her Majesty. In law we are not, although many people claim loyalty to the Crown. By keeping the oath to the Crown, in addition to an oath to our Constitution and our laws, it is to merely recognize and respect our history.

I say to those quasi-judicial bodies and government institutions which have discarded the oath to the Crown that they cannot ignore and refute our historic past. In recognition of our history and the future before us, we must build upon our traditions, not to judge them but to honour them. True, the sovereign plays less and less of a role in our society today than ever before but it is also a notion which preserves in part our identity and our history. The oath members and ministers of the Canadian cabinet must presently swear before taking their seats and offices is this: "I, Stan Kazmierczak Keyes, do swear that I will be faithful and bear true allegiance to Her Majesty, Queen Elizabeth the Second."

By contrast, members in the mother of Parliaments, Westminster in Great Britain, swear the following oath: "I do swear by Almighty God that I will be faithful and bear true allegiance to Her Majesty, Queen Elizabeth the Second, her heirs and successors, according to law, so help me God."

The Queen is still referred to as the Queen of Canada. It is only by looking back into history and not washing our hands of what has transpired, by not washing our hands of our common history, that we see the role of the monarchy more clearly. It is not something threatening, not something divisive; it is a treasured part of our history.

Therefore we must begin to be more assertive in who we are and what we represent as a country. If members of Parliament and perhaps an elected Senate—heaven knows, I do not wish to scare my colleagues down the hall—do not swear an oath to what is Canadian, what can we swear to?

My proposal, if passed through this House, would have members swear this oath:

> I do swear that I will be faithful and bear true allegiance to Her Majesty, Queen Elizabeth the Second, her heirs and successors, and that I will faithfully observe the laws and the Constitution of Canada and fulfil my duties as a Canadian citizen and as a duly elected member of the House of Commons of Canada.

Mr. Speaker, while I have the floor I would ask for the unanimous consent of this House to adopt the motion which I will table with you right now. In a nutshell, it asks that this bill be put to a legislative committee.

• (1120)

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

[*Translation*]

Some hon. members: No.

The Acting Speaker (Mr. Deblois): Negatived.

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Mr. Speaker, the purpose of the bill before the House today is to amend our Constitution. According to the proposed text, each member will be obliged to take the following oath: "I will faithfully observe the laws and Constitution of Canada".

This is a most relevant reminder of the importance of the Constitution in protecting and enhancing the lives of Canadians. The Constitution Act, 1982, the fundamental law of our country, includes the Canadian Charter of Rights and Freedoms. Of course, our freedoms did not originate with the Constitution. The Constitution merely recognizes the four freedoms enjoyed by all Canadians: freedom of conscience and religion; freedom of thought, belief, opinion and expression; freedom of peaceful assembly; and freedom of association.

The Charter of Rights and Freedoms has a very special place in the hearts and minds of all Canadians. Those among us who are aware of the lack of freedom that exists in various parts of the world understand the value of the charter as a guarantee of our freedoms.

The equality rights recognized in the charter are particularly appreciated by anyone who has ever been discriminated against either socially, politically or legally.

Mr. Speaker, I imagine most members of this House have at some time met disabled persons, native people, members of visible minorities or members of linguistic minorities among their constituents. Such meetings make us realize how important it is to guarantee equality rights in this country. The government has submitted to Canadians 28 proposals on the future of this country. Their purpose is to strengthen the Charter of Rights and

Freedoms. Seven proposals concern more specifically the recognition of our common citizenship and of this country's diversity. The government suggests amending the Charter of Rights and Freedoms to include property rights. It also proposes to restrict the legislative power of Parliament and the provincial legislatures to opt out of certain provisions of the charter.

The votes necessary to invoke the override clause would be changed from a simple majority to 60 per cent of the members of Parliament or the provincial legislature. However, the government realizes that all Canadians should have their say about any major changes being suggested. The government is taking steps to encourage the participation of the general public and, more specifically, contributions by Canadians to the work of the Special Joint Committee on a Renewed Canada. To broaden the scope of the committee's work, the federal government has initiated a series of national conferences on four major components of its proposals for shaping Canada's future.

Each of the first four conferences is sponsored by an independent institution and focuses on a specific group of federal constitutional proposals. Three conferences have now been held, the third one in Montreal, on the weekend. Canadians have told all of us what they think about the division of powers between the federal and provincial governments, the reform of institutions, especially the Senate, and last weekend, about the importance of economic union. Next weekend in Toronto, the Niagara Institute will sponsor a conference on Quebec as a distinct society and on the proposed Canada clause and the charter.

At the fifth conference, sponsored jointly by the institutes and the government and to be held in Vancouver, incidentally, the results obtained in the four previous conferences will be summarized and an effort will be made to arrive at a general consensus which will help the governments act. As I just said, this conference will be held in Vancouver.

By attending the conferences and taking part in the committee hearings, Canadians show what they mean by freedom of opinion, expression, assembly and association.

By encouraging the public to participate and citizens to contribute to the hearings of the joint committee, the government is showing its deep attachment to the spirit and intent of the Charter of Rights and Freedoms.

Mr. Speaker, I believe that almost all the aspects dealt with in our national dialogue—those in the government's proposals, those that will be discussed by the joint committee and those that will no doubt be presented by the public—have an impact on the Charter of Rights and Freedoms.

Recognizing Quebec's distinct character, recognizing native peoples, affirming the Canadian identity, making political institutions more receptive, streamlining government operations and preparing for a more prosperous future all directly or indirectly affect our Constitution, our rights and freedoms and our future as Canadians.

The government presented 28 proposals to foster open, animated, informed and productive dialogue with reasonable Canadians all across the country. It openly invited everyone to take part in this great enterprise of establishing a new common goal, defining the Canada of the 21st century. It proposed a partnership in peace and prosperity, a partnership in which all citizens, regardless of their age or social status, can achieve their potential and benefit from a society that today is the envy of much of the world. But for all Canadians to have their say in guiding the future of the country, hon. members should respect the spirit and intent of the Constitution and the Charter of Rights and Freedoms.

In our debate this morning, Mr. Speaker, I do not doubt that members of all parties in this House respect the spirit and intent of the proposal submitted to us by the hon. member for Hamilton West. Nevertheless, before the House considers the proposal to amend the oath of allegiance found in the Constitution, I would like to ask the hon. member the following questions: Would he agree that in the spirit of the Charter of Rights and Freedoms, all Canadians should have an opportunity to participate in constitutional renewal? Before the solemn oath that members of Parliament and senators must take is put in the Constitution, would he allow us to discuss this proposed amendment as part of the public debate now under way on constitutional renewal?

In that way, Mr. Speaker, to conclude, we would know for sure what reform and what changes our fellow citizens consider most appropriate.

[*English*]

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, it is indeed a very great pleasure for me to participate in the private member's motion of the hon. member for Hamilton West. It could not be more timely, especially when we are talking about reforming the rules of the House of Commons and are debating reforming our Canadian Constitution from coast to coast to coast. This topic could not have come at a better time than on the opening day after coming back from the winter break when politicians and Canadians had time to sit back and reflect on what Canada is all about.

Let me share my experience of 40 years ago when I was attending a rural school in Saskatchewan. You know what a rural school was like, Mr. Speaker, where you had grade one to grade ten in one room with 30 students and one teacher. Each morning we were asked to rise and salute the Canadian flag, the kind of flag next to you, Mr. Speaker, which stood in the corner of this rural school house. We had to take an oath of allegiance, a pledge. We had to recite: "I pledge allegiance to this flag and to the country for which it stands, one country indivisible for the benefit of all".

This rural school teacher borrowed a bit of that oath from the U.S. pledge, but she put it into her own words. That pledge stuck with me through my whole life. It instilled in me a love for Canada, a knowledge that this is my country. When I look at that flag, I know I have to fight for the country for which that flag stands if any harm is going to come to it. I will put my life on the line. I grew up with this kind of pledge. I think what is missing in our country are these kinds of oaths of allegiance for elected politicians and for every Canadian.

• (1130)

Just two weeks ago I wrote an open letter to the Special Joint Committee on a Renewed Canada. I urged the committee to look into the possibilities of a pledge that all school children could memorize as they go through our school system. This would give every Canadian something in common, a pledge to be a Canadian, a pledge that states what it means to be a Canadian, and states the duties and responsibilities of being a Canadian.

In all of the constitutional debates taking place across Canada that I am watching very closely, everyone is asking: "What is there for this group? Will the Constitution guarantee this for our region? Will the Constitution guarantee my individual rights?" Nowhere in the Constitution and nowhere in the debates do I hear: "What are my responsibilities as a Canadian citizen?"

Perhaps we should set an example by taking an oath before we take our seat in this House. We have to do that by the parliamentary rules and forms that guide us. In 1979, when I was first elected, I looked at the oath I had to take before taking my seat here. It read: "I, Jesse Flis, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II". I felt uncomfortable with that oath. I took it because I knew the Queen stood for all of Canada. She is the Queen of Canada, so I took it very proudly and obediently, but I felt uncomfortable. There was something missing. Therefore, I read the alternative I could have taken.

By the rules of the House, members who object to being sworn may make a solemn affirmation if the taking of an oath is contrary to their religious belief or if they have no religious belief. That oath or affirmation would say: "I, Jesse Flis, do solemnly, sincerely and truly affirm and declare the taking of an oath is according to my religious belief unlawful and do also solemnly, sincerely and truly affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II".

It is not against my Catholic religion to take an oath. I was uncomfortable with that form also. For 10 years this oath of allegiance has bothered me.

Mr. Speaker, you will recall that I raised a question of privilege in this House when one member took the oath, took his seat in this House and then went across the river and washed his hands of the oath. That should never be allowed. Such a member should not be sitting in this House. The Speaker ruled, and I accepted the Speaker's ruling.

I was very shocked after the member for Hamilton West completed his debate, giving excellent arguments why he wants to preserve our allegiance to Her Majesty Queen Elizabeth II, and then adding the very vital part which I feel we should all swear before taking our seat: "I will faithfully observe the laws and Constitution of Canada and fulfil my duties as a Canadian citizen". That

is what has been bothering me for 10 years as a parliamentarian. That was the missing link and the member for Hamilton West gave it to us. "I will faithfully observe the laws and Constitution of Canada and fulfil my duties as a Canadian citizen", leaving in all the rest: "I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II".

Many Canadians of non-British descent will say: "I am not British. Why should I swear to that?" I am not of British or French descent. But our Parliament is based on the British parliamentary system and by leaving that in we are respecting our heritage. By putting the additions in we are respecting all the other heritages that go into making up this country: of the aboriginal peoples, of the francophones, of the anglophones, et cetera.

We could have made history in this House of Commons on the opening day, but we blew it. We blew it because the whip of the government party does not read the order papers. He did not know what was going to be on the Order Paper. His first question was to the member for Hamilton West: "Did you negotiate for an agreement?" After all we heard on the TV programs, how we were going to bring decorum back to the House, how we were going to co-operate, these were the whip's opening remarks.

The member for Hamilton West is not asking that this be made law today. He wants it referred to a legislative committee. The hon. member opposite asked if there could be participation and input from Canadians. Yes, the committee could recommend that.

What is wrong with referring this to committee for further debate, further study, and improving our whole parliamentary system? It is very sad for the Whip to stand and say: "Did you negotiate an agreement?" It is very sad to open on such a note.

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I am looking forward to making some comments on this particular motion by the member for Hamilton West.

I guess first off I will agree with the member for Parkdale—High Park. I also spent some time in the constituency over the Christmas break and found out that the people of my constituency were concerned about constitutional reform. As with all of the comments made so far in this debate, that discussion about this particular motion is specifically lined up toward an important part of constitutional reform.

I question the relevancy at this time of this particular motion. In all of the discussions that people in the area I represent and following the discussions in these various meetings that are happening right now with the joint House-Senate committee, never once did we hear this one particular issue.

The members of my riding wrote quite a significant report on the various proposals brought forward by the government and the discussions that are going on right now. Not once did I hear this particular issue come up.

I am not saying it is not important because I think it is. The member for Hamilton West has brought forward quite a significant issue. We are concerned about the economy. We are concerned about Senate reform and, as the member for Parkdale—High Park just commented about parliamentary reform, is this the time or the place to be discussing the change of the oath of allegiance?

I say not. We should get on to the issues that are really important to the people of our country. I am not saying that this issue is not important. Unfortunately the people in my constituency and the people throughout Canada have never raised this issue. Nobody has come forward to me and said: "Mr. Bjornson, as our representative would you change your oath?"

In terms of the relevancy of this particular motion today, although I think sometimes we should take a long hard look at it, what we should be doing is listening to our constituents right now and reacting to their concerns. They have some very legitimate concerns. We should be going out and doing the parliamentary reform so that we do not have the comments that were just made by the member for Parkdale—High Park.

It is important to re-evaluate this motion. It is unfortunate that we do not have questions in this type of debate, but I would put this question to the member for Hamilton West and I probably will after the debate is finished: Why has he not taken this to the joint House-Senate committee for discussion? Why has that arena not been used to forward his specific motion rather than

the House? I think we would all feel a lot better if the discussions were brought forward in what I hope and suspect we will get from the joint House–Senate committee. Would there be unanimous consent on a group of motions to be brought back regarding constitutional reform?

• (1140)

It is very important that we all get involved in the constitutional reform debate. Quite possibly during that debate maybe the member for Hamilton West will stand in this House and restate his position, which he feels very strongly about. I hope he does take the time to do that.

I would like to close with a comment to all members of the House. The best way to resolve our constitutional problems is to listen to our constituents. Sometimes we have to go to our constituents and show them that there is a certain need for discussion. Maybe this debate today is doing just that, showing that there is a need, a need for this specific issue to be brought forward in the discussion. To deal with this today, when we have a Constitution that has to be revised, is not the time and not the place.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am very pleased to have the opportunity to speak on the matter that is really right at the heart of what we do and who we are as members of Parliament in this House of Commons.

After being elected but before each or any of us take our seats in this House, each one of us did take the oath of allegiance. For each of us, taking that oath stands out as a very proud moment, a moment when we realize the full weight of the tradition that stands behind us in this House.

In this bill the member for Hamilton West suggests that we expand the scope of the oath to include fidelity to the observation of the laws and Constitution of Canada and to the fulfilment of duty as a Canadian citizen and as a member of Parliament. Members may be aware that with this proposed addition, the oath for members of Parliament becomes quite similar to the oath taken by new citizens of Canada. The oath for the Canadian citizen is:

> I swear that I will be faithful and bear true allegiance to Her Majesty, Queen Elizabeth the Second, Queen of Canada, her heirs and successors, according to law, and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen.

A question which may be in the minds of members is this: Why does the member for Hamilton West suggest that members of Parliament swear a new oath, one that parallels or even may duplicate the oath for citizens?

This oath sums up some of the responsibilities of every Canadian citizen: To be loyal to the Queen of Canada and her representatives and to the Governor General and Lieutenant-Governors, to be loyal to Canada, to obey Canada's laws, to respect the rights of others, to respect private and public property, to care for Canada's heritage, to support Canada's ideals.

The Charter of Rights and Freedoms guarantees all Canadians the right to vote in federal and provincial elections, the right to be a candidate in federal and provincial elections, the right to enter, remain in or leave Canada, the right to earn a living and reside in any province and minority language educational rights.

The principles of citizenship is a subject which may not receive the attention that it deserves. I think my colleague from across the way has raised this. Citizens by birth and by choice have equal status, enjoy identical rights and privileges and are subject to the same duties and responsibilities. Citizens are loyal to the country with allegiance to its institutions, the Canadian Constitution and the law of the land. Citizens have both knowledge and understanding of Canada's system of government, its political and cultural history and official symbols. Citizens also accept that Canada is a united federal structure and that its character is multicultural. They have a knowledge of at least one of the official languages of Canada, that being either English or French.

Citizens do promote pride in Canada, in its institutions and its various communities by striving to enhance the quality of Canadian life. They use their knowledge of the nation's structure and language to participate fully in public affairs. We have seen that quite clearly over the past few months.

Citizens honour, respect and value the contributions of individuals from various and different cultures from coast to coast. They enrich Canadian life. They contribute to the linguistic and cultural diversity that really is a hallmark of this nation.

Citizens acknowledge their responsibilities as members of the global community to support and to respect fundamental human rights everywhere and to honour all

international covenants and obligations to which Canada is a signatory.

Citizens encourage the acquisition of citizenship by all who qualify and invite such persons to become equal members of the Canadian community, thereby enriching the nation and sharing in the advantages that it offers the citizens.

Citizenship is a bond of faith among all Canadians. We share values; we share commitments; we share a unity of purpose. And we do this while enjoying the diversity of so many cultures. We believe in freedom, dignity and respect, equality and fair treatment and the opportunity to participate. We care for the disadvantaged. We prefer peaceful solutions, not quarrelsome disputes.

The government has recognized that as we approach the 21st century, Canadians want to discuss, articulate and reaffirm the principles of our citizenship. This is the reason the government has proposed a Canada clause for our Constitution, a clause that acknowledges who we are as a people and who we aspire to be. The proposed statement outlines such characteristics as equality of women and men; fairness, openness and full participation by all people without regard to race, colour, creed, physical or mental disability or cultural background; tolerance for individuals, groups and communities. These are just a few points to be included in the proposed Canada clause.

Certainly over the past few weeks, indeed past few months, at the various hearings that have gone on in Canada—one in Halifax, one in Calgary and, indeed, just this past weekend in Montreal—we have heard so much about Canada being a caring nation and how people all across our country want to expand the Canada clause to make sure it represents all of us and our true feelings.

Since we are in the midst of a major comprehensive renewal of our Constitution, I suggest to hon. members that it would be prudent to incorporate the major aspects of the bill before us today into a general discussion, into a review and into the renewal of our Constitution.

• (1150)

Many questions regarding citizenship which are raised by this bill of the hon. member today are already encompassed by the spirit and the intent in the existing law concerning citizenship.

Before we proceed with this bill, I suggest that we consider the views of many Canadians who are not members of this House but who are truly interested parties.

The principles of citizenship which I outlined would prompt us to be responsive to the wishes and recommendations of all our fellow citizens. By introducing this bill, the member for Hamilton West has brought before us many, many important questions. I join with other people in this House today to participate in dialogue, not only with them but with constituents, my constituents in Calgary Southwest, and with many thoughtful people all across this country, all of whom greatly value the privilege of being a Canadian citizen and seeing what we do as we go into the next century.

[*Translation*]

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, I welcome the opportunity to take part in this debate. The bill before the House today raises a number of important questions about the roles, rights and obligations of the members of this House.

I would like to touch on certain aspects of this bill that are generally related to the renewal of our Constitution. I think there is ample evidence that many Canadians across the country are anxious to formulate our fundamental law, the Constitution, in such a way that each and everyone of us can be proud to be a Canadian.

Some of the media claim that Canadians are sick and tired of hearing about constitutional reform. Nothing could be further from the truth, Mr. Speaker. Actually, 1,550 private citizens sent letters to the Conference Secretariat to reserve seats at one of Canada's five conferences. The fact is that many Canadians have the impression that the present Constitution does not recognize the kind of rights and status they should enjoy as citizens of this country; in other words, they believe they do not have everything to which they are entitled as Canadians.

I think the hon. member for Hamilton West is to be commended for explaining his position on this subject. The bill presented in the House today reminds us of the responsibility each and every one of us has to look at the

Constitution of this country, to prepare proposals and to present them in order to ensure the renewal of our Constitution. However, I have one major reservation.

We are now engaged in an attempt to bring about a thorough reform of our Constitution. This massive national effort concerns, first of all, the citizens of this country, especially where the reform of our institutions is concerned, and I am thinking more specifically of the House of Commons.

The hon. member proposes to amend the Constitution Act, 1867 with respect to the House of Commons. Since all citizens who wish to do so are taking part in the current debate on the federal constitutional proposals, I think Canadians should be asked for their opinion in this instance as well. We must not deprive the citizens of this country of their right to take part in parliamentary reform. The bill under consideration is not an ordinary amendment: it affects the Constitution, the basis of our parliamentary democracy. Although the proposed amendment is short, it is very significant. Therefore it should be considered carefully.

I believe that members of all parties are perfectly aware that reforming Parliament, and especially the House of Commons, is too important to be left to members of this House alone, Mr. Speaker. Some people claim that the reputation of Parliament has suffered and that reform is necessary. Whether this criticism is justified or not, I think it is extremely important to react appropriately to the general interest shown across the country for parliamentary reform. We should therefore co-operate fully with the people and institutions in seeking ways to improve Parliament. It is most important as well to show that we are prepared to co-operate.

At the very moment when the whole country is trying to find a consensus on the reform of our main institutions, we in the House of Commons have taken it upon ourselves to make changes without widely consulting Canadians.

Some will say that Canadians are not interested in the reform of their Constitution, their institutions and their Parliament. Some will also claim that Canadians have clearly shown that they are primarily concerned with the economy, unemployment and their own security.

Mr. Speaker, I do not think that is an accurate assessment of Canadians' state of mind. Of course our fellow citizens are interested in the economy and employment and their material security, as we all are. But Canadians, well informed as they are, realize full well that prosperity and unity are inseparable and that Parliament is in the best position to defend national unity. It is a forum where we can and must debate the issue and then agree to act so as to ensure a prosperous future for our country.

The amendment before us proposes to include in the oath of allegiance found in the Constitution the duties of citizens and members of Parliament. Obviously, the hon. member for Hamilton West considered his bill for a long time.

We must thoroughly amend our Constitution and in 1992, all Canadians must have a chance to take part in the process. And, despite what some of the media would have us believe, many citizens are ready to suggest quite specific parliamentary reforms that they think are not only applicable and relevant but also an important contribution to the process.

Many people proclaim that in its present form, the House of Commons is no longer the representative, democratic and equitable legislative body that 21st century Canadians need. Mr. Speaker, I think that we must avoid taking amendments out of context; instead, we should do so as part of the over-all process of constitutional renewal.

Mr. Speaker, we have already begun this process of renewal.

• (1200)

I would hope that the hon. member for Hamilton West will see that it is really in his interest to make his proposal part of the over-all constitutional reform process. That is how we must act and that is the procedure which I propose to follow.

[*English*]

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am very pleased to have the opportunity to rise and speak very briefly on Bill C-270.

I have to say that Bill C-270 goes right to the heart of a matter which concerns every member of this House. It is an amendment to the Constitution, one which proposes reform of one of our parliamentary traditions. I believe that every member who knows, loves, and respects this

House is committed to reform, to revitalize and rededicate this, our own institution.

Every one of us here representing the people of Canada must simply be determined to win unquestioned status for Parliament as the pre-eminent form and recognized champion of democracy in this country.

We have before us a formidable task: to reform parliamentary procedures, to foster more free votes, to enhance the role of members in committees so they can be more effective in amending bills, to allocate more time and higher priority to private members' bills and to ensure that seats do not remain vacant, thus denying people their representation, and major sweeping reform of the Senate.

It is indeed a formidable agenda. It is an agenda which has been placed firmly before us by the people of Canada. They have decided these are changes they want. These are changes whose time has come and our constituents have demonstrated amply that they want us to take action now.

The Acting Speaker (Mr. DeBlois): The time provided for the consideration of private members' business has now expired.

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

Hon. John McDermid (for the Minister of Finance) moved that Bill C-32, an act to amend the Canada Assistance Plan, be read the third time and passed.

He said: Mr. Speaker, I appreciate the opportunity to debate third reading of Bill C-32, an act to amend the Canada Assistance Plan.

This bill has come back from committee without substantive change. The factors that made this legislation necessary at the time of the February budget have not changed.

I will take a few moments, if I might, to describe what the bill seeks to do and why it is necessary, given the fiscal realities of the federal and provincial governments.

As part of the government's restraint program, this bill will continue the ceiling on the growth in federal contributions under the Canada Assistance Plan to the provinces not receiving equalization payments. A 5 per cent ceiling on CAP transfers to these provinces covering the years 1990-91 and 1991-92 was introduced in the 1990 budget. This legislation will extend those ceilings through to 1994-95.

The bill has been carefully designed to balance our concern for needy Canadians and our desire to avoid placing unnecessary burdens on Canadians in future. The government is well aware of how important these dollars are in providing assistance to the neediest of Canadians.

CAP contributions help to provide the most basic requirements of life—food, shelter, and clothing—as well as social support in a variety of ways.

Broadly speaking, CAP allows the federal government to share the costs incurred by provinces and municipalities in providing key social services, social assistance to persons in need, welfare services, and certain work activity projects. While the federal government specifies the conditions under which a particular program is eligible for cost sharing, the provinces are responsible for designing and delivering the programs and ensuring their comprehensiveness. Programs supported by CAP help low-income Canadians by attacking the causes as well as the effects of their problems. In addition to support for many welfare support programs, CAP payments allow people to get back on their feet and working by helping to pay for tools and equipment needed to carry on a trade or other employment.

The success of CAP is not measured by how many people are dependent on it, and that is what we hear about today, but how many people it can help to regain personal independence. This independence would be worthless without a healthy economy and the jobs to go with it. It is to ensure the long-term health of the economy, threatened by the debt problem this government inherited when it came to office, that we must put certain limits on the funds we give the provinces for these purposes.

This bill reflects a balanced approach to spending restraint. It takes into consideration the needs of Canadians during this period of economic difficulty as we recover from the recession we have just weathered. At the same time, it allows us to keep our course of deficit control because we know it is the only way to build a stable, long lasting recovery. None of the steps we have taken will compromise the social programs that are a key characteristic of Canada's sharing society. Rather they ensure that we will have a strong economy that will be able to afford these programs in the future and provide opportunities for those in financial difficulty to find independence and self-respect.

I am sure that all rational observers will agree that Canada's deficit and debt represents a major threat to this country's social and economic well-being. They threaten our goal of sustainable economic growth and our ability and the ability of all governments across the country to provide the social services that we are so proud of as Canadians. Canada's more than $400 billion debt burden and the deficits that add to it is a national problem affecting all Canadians.

It results in higher taxes, inflationary pressure, increased interest rates and long-term uncertainty. Because interest costs are such a large share of the budget—about $43 billion, or 27 per cent of total expenditures—the debt consumes funds that might otherwise be used to assist Canadians in need and to support programs Canadians want.

To effectively deal with our debt we must get back on track to reducing the deficit. This is the threshold step to get the debt under control and on to a downward path. Deficit reduction requires spending restraint. That is why we brought forward this legislation. It is part of a broad program of spending control needed to establish a positive economic environment for this country.

National problems demand national solutions. For this government to live within its means, spending restraint must be shared with the provinces. Federal transfers to other levels of government are simply too large to ignore in the effort. The financial support provided by the federal government to the provinces represents a large and growing part of the budget. That support has grown significantly.

During the period 1984–85 to 1990–91 that support has grown by almost 6 per cent annually. That is a much higher rate of increase than the 3.7 per cent growth in over-all program spending over the same period. As a result of this growth, total federal expenditures or contributions to the provinces, both cash and tax transfers, will reach nearly $37 billion this fiscal year. The cash component of these transfers will represent about 20 cents of every federal revenue dollar. We simply cannot afford to let this spending grow without any limits.

Measures to control the growth in one major transfer, Established Programs Financing, have already been introduced with Bill C-20. That was passed by this House last year. Complementing this legislation, the bill before us today seeks to continue the ceiling on the growth in federal contributions under the Canada Assistance Plan to the three fiscally strongest provinces. Even with the measures we are proposing, growth in federal transfers is expected to run at 3.7 per cent annually between 1991–1992 and 1995–1996, in contrast to just 3 per cent for all federal programs over the same period.

• (1210)

The level of CAP spending and the rate of growth over the past few years have meant that we cannot ignore this program as we work to contain expenditures. Since 1984–1985, federal CAP contributions have grown at about 7 per cent annually from $4 billion to more than $6 billion last year. In contrast again, I remind the House that federal program spending has grown at only 3.7 per cent over that same period.

Simply put, the government would not be a responsible custodian of the taxpayers' money if we allowed these contributions to grow without any restraint. We cannot spend our way out of problems with money we do not have. Some would have the electorate believe that but it is just not true. We cannot borrow the funds. Let us face it. The more we borrow, interest rates rise. There is a very high price for us to pay today and of course for our children tomorrow.

I would like to assure members of this House and all Canadians that the limits on CAP growth do not put this nation's welfare system at risk.

The assistance provided under CAP by the federal government will continue to flow in every province. For seven provinces there is no gross ceiling on federal

contributions. We will continue to match eligible spending on social assistance in these provinces, dollar for dollar.

For the three wealthier provinces, CAP contributions will also continue to grow but to a limit of 5 per cent annually. Even with the growth ceilings outlined in this bill, we estimate that during the five-year period in which the CAP ceiling will be in place, federal CAP contributions to all provinces are expected to grow from $6 billion in 1990–1991 to more than $7.3 billion in 1994–1995.

CAP contributions to these provinces will continue to grow at a rate that is even faster than the growth in total program spending by the government. As I am sure all members are aware, we have introduced legislation to restrain the growth in most areas of our program spending to 3 per cent annually after 1991–1992.

The three affected provinces are those best able to share in the restraint necessary to build a stable fiscal foundation for this country's economy. Each of these provinces face interest costs that are considerably less than those of the federal government. These costs represent a much lower percentage of provincial spending.

For example, the national debt I mentioned earlier in my remarks now stands at over $400 billion, equal to almost 60 per cent of the country's Gross Domestic Product. Interest payments will consume 33 cents of very dollar of federal revenue in 1991–1992.

In contrast, the combined debt of all the provinces is expected to total about $113 billion for 1991 or 16 per cent of the Gross Domestic Product and provincial debt payments will represent about 11 cents of every dollar of provincial revenue. In particular, these changes are estimated to be 11.6 per cent of every revenue dollar for Ontario, 8.3 cents of every dollar for Alberta and 4 cents of every dollar for British Columbia.

The actual financial impact of the 5 per cent ceiling on the affected provinces will vary with its level of spending. We estimate that social assistance spending in Alberta has grown less than the 5 per cent limit placed in 1990–1991. Consequently we expect that federal contributions will continue to match the growth in Alberta spending dollar for dollar for that year. The total federal contribution will be about $530 million. For 1991–1992, the federal contribution will reach some $565 million.

However for British Columbia and Ontario, the growth ceilings will come into play limiting CAP transfers. Federal contributions to British Columbia will still top $715 million for 1990–1991. For 1991–1992 they will grow to more than $750 million. Ontario will receive for the fiscal year 1990–1991 about $2 billion, roughly one-third of the federal CAP contribution. For 1991–1992, Ontario will receive $100 million more for a total of $2.1 billion.

By taking the measured step contained in this bill, we are seeking to live within our means and the means of the guy who pays the bill, the Canadian taxpayer, while still ensuring that those most in need are fully protected. The financial discipline that we are asking for is essential if we are to further reduce inflation and interest rates. It is only in this way that we can strengthen the economic upturn that has already begun.

The fiscally responsible approach we have taken is the only way that we can generate productive long-term jobs and ensure renewed, sustainable prosperity. It is the only way to bring down inflation and to create a positive environment in which all Canadians can confidently plan for their future. It is only by ensuring a prosperous Canada with a sound financial foundation that we can maintain a strong social safety net for Canadians in need.

I would also like to point out that there is a review of all major federal transfers to provinces currently under way with an eye to improving their effectiveness and tailoring them to the changing needs of the 1990s. On the fundamentals to this discussion, I am sure there is already full agreement. The permanence and success of Canada's social programs depend on wealth and prosperity of the country as a whole. I need not remind my fellow members that prosperity cannot be legislated.

I am sure that all members of the House agree that the best assistance for Canadians in need is meaningful, permanent jobs. Job creation through sound economic management has been a priority of this government from day one.

The government's restraint efforts are even now showing results. The economy began to turn upward in the second quarter of last year and continues to grow, albeit slowly. We are expecting a growth rate of about 2.7

per cent in 1992. The OECD expects Canada to lead the G-7 in economic growth.

The conditions are in place for growth, but we are well aware that many Canadians are still experiencing the effects of the past recession. Without a doubt, we have work to do to ensure that the recovery is sound and long-lasting. If we waiver, if we let the deficit rise, inflation and interest rates will follow, choking off growth. The balanced measures we have taken, combined with economic recovery and lower interest rates, will push the deficit down.

During the recession of 1981-82, the government of the day chose a different path, allowing the deficit to balloon by $23 billion from 1982-83 to 1984-85 to a total of $38.5 billion. It is this burden of debt that we have inherited, all Canadians have inherited, from the previous government which has made the legislation we have before us today so necessary.

There are no quick, painless remedies to our debt problem, only difficult responsibilities we owe to Canadians. The extension of growth ceilings on CAP transfers flows directly from these responsibilities. I urge all members of this House to support this motion and to join us in accepting our fiscal responsibility to all Canadians.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I would like to thank the minister for his remarks. Of all the ministers in this government, he perhaps lays it on the line most clearly. The fact that he has not been able to change the line of the government, change its thinking on this piece of legislation and change its thinking about what is going on in this country, is a testimony both to his own honesty and to the stupidity of the government.

In taking a look at this particular piece of legislation, I am struck by the fact that no matter what group has appeared in front of the committee, no matter which speeches have been given in the House of Commons, no matter which commentator you follow, no matter what the courts have said and no matter what evidence has been presented to this government, this government has failed to change one part of this legislation or one iota of its strategy.

This piece of legislation, Bill C-32, was considered at length by the committee on finance in a special set of hearings that attracted not the usual business oriented groups to their finance committee, but a long line of groups interested in social policy.

• (1220)

This is not strictly a budgetary act, but is the implementation of a very Draconian social policy. One of the strategies followed by this government since 1985 has been the use of the budget to introduce pieces of legislation which have undermined the current social policy developed in this country since the 1930s.

The evidence is now overwhelming that Canadians are being hurt by the strategy of the federal government. It does not only apply to the reality of the recession. I cannot believe I heard it, but I think I heard the minister say the past recession. If it has passed for him I guess his cheque comes in every month, but it has not passed for the hundreds of thousands of Canadians who are still looking for work or who are still facing personal and corporate bankruptcy and are wondering where to turn next.

The fact that members of this House, after being away for six weeks to talk with constituents and to visit with different groups in our areas, can come back and give the same line is a sad commentary on the quality of representation that many Canadians are now receiving.

I must point out that during the hearings some of the groups making presentations pointed out to the federal government that there is a legal opinion that the strategy it is pursuing in Bill C-20 and Bill C-32 is illegal. In an unusual move, the House of Commons committee agreed to attach this legal opinion to the document submitted to the House and it is there for all members to review. We brought in officials from Finance and officials from Justice who were struck by the logic of this particular position. I am surprised that the minister, after having two months to consider this, has not in any way changed the government's position *vis-à-vis* Bill C-32.

Bill C-32 should be withdrawn by this government and fought by the opposition because the situation in Ontario is so dramatically different. To have this historical image that Ontario is a place where there is such economic growth that you can cap expenditures and make people who live there pay a price totally misses the point. Anybody who represents southern Ontario should be aware that the needs of people living in and about

metropolitan Toronto and in cities such as Brampton are greater than they were two years ago and that families do require the assistance of the provincial government to a greater extent than ever before. That means they need the support of the federal government to pay those budgets. This has not been recognized by the federal government. It continues to keep its head in the sand and refuses to acknowledge the importance of reforming the social policy system instead of burying people under budgetary items.

Subsequent to the introduction of this legislation, there has been a series of media accounts as to what it means to be poor in Canada. During a debate like this we should pause and think about some of the statistics and the people in this country. Do not forget that this is a process begun 50 years ago to shore up the economic reality that from time to time we go into a tailspin and from city to city, from different parts of the country, people cannot compete and cannot live in the economic system.

One of the failures of Conservative policy, not only in Canada but in the United States, has been to balance the economic and social objectives of our society. If you look at the constitutional front, we have this desire for an economic union which was trashed on the weekend in Montreal because people asked: "Where is the other side of the coin? Where is your social policy? What are you going to do to help people out?"

This marketplace that we talk about, and we on this side of the House support very strongly, also needs to protect people. It is there to serve us, to further our individual interest and to further our small business. It is not there simply to enslave us in such a way that we end up being bankrupt after a lifetime of work.

The fact that dozens of people at a meeting came to this conclusion and had to quite literally re-route the constitutional process in order to make their point is again an indication that this government does not understand the significant feeling to protect the social policy of this country.

As an aside, I would point out the constant reminder of this government about deficit.

It is very interesting that it should constantly stand up and remind the House of how poorly it has done on the only objective it set for this country. In order to respond to the recession in the early 1980s, the Liberal government ran up a deficit for two years, a serious deficit. Since then, this government has treated this as being the reason for the collapse in the federal treasury. In the meantime, it has created by conservative estimates about $210 billion debt of its own. If you look at a similar parallel conservative coalition in the United States, in which Ronald Reagan and now George Bush convinced Americans that they had to vote for the Republican party in order to save their treasury, what do we find out? We find out that the Republican party has increased the debt more substantially than generations of Democratic governments.

An hon. member: A trillion dollars.

Mr. Walker: A trillion dollars, I am told by my colleague. If you look at a parallel development in Canada, the debt created by this government, whose whole *raison d'etre* was to eliminate debt and to create economic growth, is astounding.

It is nice for the minister to remind us of the government's failure, but I think instead of reminding us of its failure it should at least have accomplished one of its objectives. Heaven knows that the people who need money on social policy, who need money on medicare, who need money on post-secondary education, are doing without. It is about time that this government understood just exactly the price being paid by a false objective which it has not even come anywhere close to fulfilling.

According to an article that appeared in the *Globe and Mail* on December 19 of last year, the average family income for Canadians has dipped for the first time since 1985. Canada had more than one million children living in poverty last year, an increase of 150,000 from 1989. The last time Canada had more than a million poor people was in 1985 when 1,047,000 were below the federal data-gathering agencies' low income cutoff line. These statistics all come from Statistics Canada.

This report also revealed in a very challenging fashion the difficulty that Canadian families were having, even during the surge in the economy of the late 1980s. When that so-called surge in the economy failed, family incomes dropped by 1.6 per cent. Young parents, families headed by a single mother, and two parent families trying

to get by on one income were among those hurt the most. Those are the people who form the backbone of family life. When you are trying to deal with the support systems for children and trying to deal with child poverty, these are the families we should be trying to shore up and not destroy.

As a whole, the 1980s marked an end, at least temporarily, to huge decade-by-decade jumps in family standards of living. In other words, the government's own agency now reveals that the Liberal strategy from the 1930s, 1940s, 1950s, 1960s and the 1970s was a strategy that produced a support system for families and increased the wealth of Canadians. Even during the Depression and again during the Second World War we managed to better protect Canadians than during the tremendous economic growth of the 1980s.

Just think how miserable this government would have been if it had had a recession for the last seven years; it would not have known how to cope. It does not know how to create wealth. It does not know how to create jobs. As a result, all it can do is use its budget to come down with Draconian measures such as Bill C-20, Bill C-32 and previously Bill C-69.

Canadians from coast to coast are arguing and are presenting briefs to this government saying: "Back off, we have had enough, we can't withstand this any further". All this government can do is indicate through every signal, in the speech by the Minister of Finance and in the speech we just heard in the House of Commons a few minutes ago, that this path will be continued. It is as if the complaints on individual levels to individual members of Parliament and complaints made across the country though briefs to this government are just put aside and not heard at all.

In responding to this report on child poverty by Statistics Canada, the *Toronto Star* in its editorial castigated the Minister of Finance who had responded in the pat fashion he has that he cannot do anything about it. I quote: "What he is really saying is that Canada, one of the world's richest countries, cannot help its poor, sick and jobless". Stop and think about what that means for Canadians. We have always put ourselves in the G-7. We have always argued that we have one of the most productive economies, that we have been able to generate tremendous wealth. Yet, when it comes down to the basic question of maintaining a society that is liveable for all people, we are now saying that we cannot do it any more.

• (1230)

Canadians hear these speeches in which somehow or other the implication is that you should feel guilty that you have spent all your money and that you should not be asking us for any more. Canadians have not spent all this money. Since 1984, the federal government has spent all this money. It has blown the opportunity. It should step aside and let Canadians with a more responsible idea of society take over and show other people exactly how to rebuild Canada. The sooner this happens, the better. As I say, Mr. Speaker, that is about the only question I am asked when I am back home in Winnipeg.

Another article that appeared in the media during the period of time since we last met was headlined "What future for kids in poverty's grasp?" It also repeated the figure that the number of poor children increased 15 per cent from 1989 to 1990 and that they now number more than one million. Think of it, a 15 per cent increase in child poverty in one year.

In 1990, two-thirds of children in single mother families were poor, making up nearly 40 per cent of the total number of poor kids. Ontario's welfare bill is now $5.45 billion.

Here are some other stats. Girls whose families are on welfare have 3.9 times the rate of poor school performance than other girls. Boys on welfare are 1.4 times more likely to do worse than other boys. Almost one-third of children in subsidized housing have psychiatric disorders compared to one in seven children in other homes. More than 40 per cent of children 12 to 16 in subsidized housing do poorly in school. However, children on social assistance who do not live in subsidized housing do even worse.

Child poverty rates are directly tied to adult jobless rates. There is a broad consensus around the need for better job training programs, agreements on pay equity for women and higher minimum wages. The point is that it requires a strategy.

We on this side of the House have spent the last year thinking about these issues and working with Canadians to develop a strategy. We believe very strongly that this government's strategy is incorrect and that what we need to do is again unite the two principal purposes we have for the federal government in this country; that is

economic policy and social policy. Unless they are working hand in hand, we are not going to be able to redevelop the country that we were once so proud of. It is very important that we all recognize the significance and the imperative of integrating the two objectives of social justice and economic development.

For us on this side of the House, social policy has always represented an essential component of what we try to do as government. If the message from 60 years of Liberal government is that we have best represented the whole nation, that we have best articulated national values, aspirations and purpose, then that is why social policy has been so fundamental to the way we have governed in the past. In order to make ourselves a society distinct from the United States, and without being negative in the nationalism but being proud of Canada, surely the social infrastructure that we set out, the best example being medicare, is the way that we have challenged people to see Canada a different and a better place to live.

That is why we have opposed this government's strategy of integrating the two economies in North America without having a social policy agenda. That is why in many respects the strategy of the Europeans in integrating their economies is more forward looking and more helpful to all people. That is to say, they recognize there is a social side to the coin and that what they should be doing is making sure that workers are looked after properly and that families are looked after. The fact that there is no social policy in the original FTA with the United States, and it does not sound like there will be one in the future with Mexico, is the reason why this party, a party traditionally of free trade, has been so upset with the ramifications of the 1988–89 free trade agreement with the United States.

The Conservatives by contrast have never known what to do. On the economic side, and it is very interesting to think about this, their regimes parallel three major collapses in the Canadian economy: 1930, 1960 and 1990. In the two major constitutional crises—in the early 1960s when the FLQ began to develop a base in Quebec; and in 1990, in this recent constitutional crisis, through 1992—the Conservatives were in charge.

On the other hand, if you look at the economic issues of the NDP and the experience we have had in the west, the collapse of the Manitoba economy from 1970 runs parallel to the NDP government taking power in 1969. The decline of the Saskatchewan economy is very much parallel to the NDP being the government there. All the headlines indicate the panic that is riveting throughout the Ontario economy with the NDP in charge. It has only been the Liberal Party which over the years has been able to maintain an economic growth rate which has allowed the federal government to support provinces directly and to build up a base of expenditures, not indebtedness, which have created the social consensus which has kept this country together. This is why the Liberals have fought this piece of legislation with such determination.

The reason we are having such great difficulty putting the Constitution together right now is the fact that people do not see that this consensus and this coalition to do things, both on the social and the economic side, is no longer there.

In many areas, instead of cutbacks, we could be reforming. We would advocate during this session in the House and through the budget that the government begin to look at ways of supporting Canadians instead of ways of undermining their support systems. We could be doing more in areas such as income support, child care, health care, settlement policies, English as a second language, French as a second language, immigration, fair taxation, skills training, housing, post-secondary education, regional economic development and greater support for small businesses and entrepreneurship.

With the emergence of such a program, we would begin to see Canadians being more confident in their government and therefore beginning to make investment decisions on their own, whether as consumers or investors on the business side.

Since 1984, by contrast, the Conservative government has ignored the undeniable link between social and economic policy and made deficit reduction the top priority of the government.

The cumulative effect of the policy direction taken by this myopic government has been devastating for many Canadians. The result has been high unemployment, drastic increases in poverty levels and skyrocketing welfare rolls, a near bankrupt economy, little reduction in the deficit and, most important, little hope for a turnaround in the future.

The Conservative agenda has failed to achieve its stated goal of deficit and debt reduction. Over the past seven years, in spite of successive tax increases for low and middle income Canadians—the same Canadians

who are having their support system removed by Bills C-20, C-69 and C-32—and the Draconian cuts in transfer payments, annual deficits have been stalled at approximately $30 billion and now the national debt is expected to reach $450 billion by the next general election.

Federal social spending as a percentage of GDP has declined from 8.1 per cent in 1984-85 to 7.1 per cent in 1990-91. One lesson to be learned from this experiment by the Conservatives is that spending cuts without social investment simply do not work.

The way that we have proceeded for many generations and will continue to proceed in our social policy in contrast with the government is as follows: First is a recognition that medicare is the practical and symbolic cornerstone of Canada's achievement as a caring society. The Liberal Party began medicare. We funded it properly, we shored it up with the Canada Health Act and we will do whatever we have to do in the nineties to maintain it.

• (1240)

Second is a recognition that tax reform and social policy go hand in hand. Today an increasing number of working families cannot make ends meet. One purpose of federal tax policy should be to ensure that working Canadians have every available opportunity to get jobs, day care, education and housing.

Third, economic growth and social policy are two sides of the same coin. You cannot have one without the other.

Fourth, child poverty does not begin and end with children; it is intergenerational. Eradicating poverty among Canada's children requires us to deal with child care, nutrition, family violence, job preparation, housing, among several other programs.

Fifth, because social policy is an integral component of Canadian identity, the protection of a Canadian way will be included in all international trade agreements.

There are choices that Canadians can make. Through pieces of legislation which may appear minor and are short in their text, Canadians are being presented with an agenda which is very negative and very destructive to their well-being. Canadians are turning to other parties, not so much for support for their position, because I think Canadians all feel that way, but because they want us to present alternatives. They want to see that other parties are thinking about ways of improving their society.

The policy process within this party, within this caucus, has been a very active one for the last two years. Thirty position papers have been produced on a whole number of issues, including social policy and tax reform. There will be a national convention in February which will present many of these ideas to the nation for consideration. There will be preparation for the next general election. People will see that at least one group of men and women have spent their time productively in the last four years, that it has not only been in opposition to the government, but it has also been in support of doing things a different way.

Perhaps through this process of formulating new ideas Canadians will begin to appreciate the protest parties, whether it be the BQ in Quebec or the Reform Party in the west. For example, Preston Manning, the leader of the Reform Party, says he would abolish the Canada Health Act. That would mean abolishing universality and allowing the introduction of user fees.

Perhaps once these debates begin to take place seriously, Canadians will understand where they should turn to for support for programs as fundamental to the future of this country as medicare, as well as CAP and a number of other programs, one of which, believe it or not, is day care. At the very time that this government has been hinting with one announcement after another that there is going to be a broad initiative dealing with child poverty, it has also gone about capping CAP, which has had exactly the opposite effect. It cuts down the room that provinces have to manoeuvre within the fundamentals of our society.

For the last year and a half a subcommittee of the House of Commons has been reviewing issues of poverty. This committee heard from one group after another. Our caucus committee heard from many other groups. We began to formulate some ideas about what should be done to deal with this issue. We stood up against Bills C-20 and C-32 and will continue to fight Bill C-32. However, we have also seen that Canadians are anxious that something be done right away. If you are creating debt, let us be clear about it. This government does not create wealth; it creates debt. It creates about $30 billion worth of debt a year and does not know what to do with it all. Instead of creating debt, which then in turn has to be

handled by every working Canadian, we should be trying to create wealth.

People form governments for a reason. The economy has a power of its own, whether it be within this country, Europe or the United States. The power of society generally rests in the economy. There has been a 200 year struggle in this country—against the family compact to begin with, against Britain, against the United States—to form a government as an expression of political power. You express political power for a reason: in opposition to the economic forces which are undermining your life, to balance off the marketplace. You have to aggressively support a government against those forces. People get very upset when they see that the government they have voted for, the institution that they spend millions and millions of dollars supporting, refuses to respond. Why do Canadians spend their time voting? Why do they spend time following the news if at the heart of the matter their institutional arrangement cannot respond to them? We are trying to reach out to Canadians and to say that there are ways we can respond. We understand as clearly as they do that this government does not understand. However, there are members of Parliament, not only from this caucus but from other caucuses, who appreciate the anxiety and would like to translate it into initiatives.

When the subcommittee's report on poverty was presented to the House in the last week of the session before Christmas, we applauded the efforts by members of all three parties who sat through many hearings and the efforts of the majority on the committee to bring these issues to the attention of the public. The fact is that they did get a lot of public attention and that should be honoured and respected.

On the other hand, we found the report lacking in a focus that could help Canadians see their way through the next few years. I think it is time that we as politicians set aside our differences and begin to provide Canadians with some support systems.

During our deliberations we presented a minority report. In that report we came out with eight recommendations which I think contribute to the debate on how we go about rebuilding confidence in the economy and confidence in social policy.

I would like to review the recommendations from our child investment strategy presented before Christmas. First, the Liberal Party recommends that the federal government immediately participate with provincial and territorial governments through boards of education and in conjunction with community volunteers in the provision of nutritionally balanced breakfasts, lunches and snack programs in schools throughout Canada. In other words, the major report said that we should urge others to do it, but that is not sufficient.

These programs already exist in major Canadian cities, not through any free choice but through people recognizing that if children do not have a properly balanced diet they cannot study. If they cannot study they fall behind. If they fall behind, their families fall behind and it perpetuates the weakness in our system. We want to make sure that weakness is not perpetuated and that Canadians understand there are people in Ottawa who realize how desperate they must be to go to food banks, how desperate they have to be to have their children given a meal at school and how much that is a denial of their dream as a Canadian to look after themselves and their family and to be put into a position where other people have to feed their children, starting at 7.30 in the morning.

Second, the Liberal Party recommends that the federal government recognize the negative impact of the recent changes to the Unemployment Insurance Act and immediately restore entrance requirements and duration of entitlements to pre-Bill C-21 levels.

In my own city of Winnipeg there is a great deal of difficulty dealing with youth, particularly aboriginal youth. They cannot get access to programs because they are not UI recipients and all the training moneys in the employment department have been moved over to look after UI recipients. If you cannot get started in the job market, how can you get training? If you cannot get training, how do you get started? You enter a vicious circle of denial.

In five years we are going to be looking at those young people who will then be 26-30 years of age and saying: "You have never been trained. You do not have a job. Where do you fit into this job market?" We have an underclass forming and none of us recognizes just how severe the crisis could be. The only way to stop it is to begin to act now, put aside legislation such as Bill C-20,

put aside Bill C–32 and Bill C–21 and begin to talk among the parties in the House of Commons as to how to reconstruct the social support system in this country.

Third is the removal of these pieces of legislation and perhaps have an all-party committee begin to review ideas such as the one put forward by the premier of Ontario and others on the social charter. Perhaps we should review other initiatives and see where we are headed in order to protect people, particularly in terms of international competition.

Fourth, the Liberal Party recommends that the federal government redesign the tax system to make it more equitable, to help families cope with the added expense of raising children and simplify the child care benefit system by April 1, 1992.

In other words, in the measures being presented in this budget, let us deal with the fact that families are having a difficult time.

• (1250)

Let us not just talk about the people who are on social assistance. Some families make between $20,000 and $50,000 a year but cannot make ends meet because of the cost of housing or because they are temporarily on UI. The tax system is burdensome for them. We cannot turn around and say they should be able to do it themselves. The reality is they cannot do it by themselves.

Metropolitan Canada has changed in the last 10 years, and our tax system has not caught up with the cost of living for these people. I am sure every member sitting in the House today can present stories from his or her own constituency about these living conditions.

We turn away from families in that income range and tell them they should be okay and we have done enough for them in the tax system. They do not sympathize with other people who are getting assistance. Instead of having a coalition among the different groups, you in fact create divisions. Creating divisions only exasperates the social harmony we require in this country at this time.

Fifth, the Liberal Party recommends that the federal government immediately establish a winter job creation program to counteract some of the damage already done by anti-employment policies that have had a direct impact on child poverty. In other words, as the newspaper article said and as just about every expert says, when you talk about poverty, you have to talk about the fact that the head of the household does not have a job.

With the UI system being what it is, there is a real crisis developing in this country. As people move from unemployment benefits to social welfare, the burden is going to be transferred tremendously from the municipality to the provincial government. This government can perhaps take satisfaction that its deficit is going to hover around $30 billion instead of being higher, but in reality it is creating tremendous public debt for other governments.

The historical responsibility of the federal government is to ensure that Canadians have access to jobs. When the private sector collapses as dramatically as it has over the last two years, we have a responsibility to make sure that people who want to get back to work have a program in front of them.

Some people say that all we are talking about is make work programs and they do not work. Of course they do not work, but there is a real backlog of infrastructure decisions that have to be made in this country. There is probably several billion dollars worth of work that can be identified by municipal leaders almost overnight. It is the same on the provincial side, but they need access to funds. A dollar put forward by the federal government is going to create more dollars by others.

We should not take the attitude of Canadian Conservatives in the 1920s and early 1930s, that they will all get back together again, so do not worry about it. During Diefenbaker's government they refused to respond to the 1960 recession. We have to respond. We have to show Canadians that we are not self-satisfied and we understand that they need work. We understand that people want the chance to be off social assistance, even if it is for 10 or 20 weeks.

They want to build roads. They want to replace sewers. They want to create spaces in day care, perhaps. There are things we have to do, and we are obliged as a Parliament to find ways of doing them. If we are in debt for $30 billion and do not offer Canadians any hope, then why not take the initiative, deal with that in a Keynesian sense and use the federal government's borrowing powers to create wealth and get people back to work.

I do not apologize for one minute for mentioning this possibility. People are paying taxes and people are on UI already. We are doing nothing for them. How do we think we make them feel better by doing less? The answer is that you make them feel rotten. It is time we developed a passion for this. Some of us represent constituencies where 30, 40, 50 or 60 per cent of the people are looking for some sign of help. Absolutely nobody is responding and saying they are sorry. Tough.

All of us here have a real obligation. We may feel sorry but we get paid. Every Canadian knows who gets paid. We get good money from those Canadians yet we are not able to do anything for them. It is with great apology that I have to go back to my constituency and tell the people in Winnipeg I am sorry, but I cannot convince them to help you. It is a horrible feeling. It is a horrible feeling when the government has been able to help others, bail out economic projects it should never have been involved in, or in the case of Ontario, help out a major aircraft builder when it can give people on social assistance only 2 per cent.

What kind of society begins to set that up? The people who have decried that for generations, turn around and choose the corporations over the people on social assistance the first opportunity they get. That is what makes Canadians crazed. That is what drives them into other parties and other forums. They want some semblance that people here are listening.

The sixth recommendation coming from our report, and again we have tried to get this economy started immediately, is that the federal government announce its intention to have an accelerated job creation program for students and youth in place by the summer of 1992.

The cashless student is becoming a focal point of the younger generation. They are not able to find summer work and are facing tuition increases somewhere in the neighbourhood of 20 per cent compounded annually. Access to programs they want are severely limited. They are forced to extend their programming over four or five years, which took many of us in another generation three years to complete. This is slow impoverishment. This is a slow death for students. What they need is work.

In the 1970s the Liberal government responded with several innovative programs. Students enjoyed working and had an income. They went to school and participated in the work force to become ready for the economy. This government does not want students to get ready for the economy, yet it turns around and talks about training and the competitive society. How do you get trained if nobody has a job or income for you? The answer is that you do not. You get limited to a very small percentage of the Canadian population which can afford to play by these rules. You need a level playing field. You need the chance for students to have access to jobs and support so they can get on with their education. We have no room for them in this Conservative-driven economy. There is no job creation taking place. There is a responsibility to help people find work.

There is no use speaking about this in May. You have to start thinking about it now. You have to include money for students in the budget .There is no plan coming forward. There is no consultation with students. It is time we came forward with some ideas to get this economy going.

Briefly, there are two other recommendations. We want to see the House of Commons deal more directly with issues of aboriginal poverty. In cities across western Canada in particular, the issue of aboriginal poverty is tied to the decline of funds being made available through CAP. They must be able to get some money to these families. In the report of the Conservative majority, one-half page dealt with aboriginal poverty.

Finally we have recommended, as we have several times, that the federal minimum wage be raised to $5 effective last January 1 and raised another dollar effective January 1, 1993. Historically the federal government has set the standard, and in this case as in so many cases, it is the bottom of the barrel.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, as we stand again to debate the cap on CAP, it is with the same strange sense of *déjà vu*. Only a year ago we were debating legislation which we in the New Democratic Party felt was the beginning of the end of Canada's social programs. Then we were debating Bill C-69 which legislated drastic cuts to health and post-secondary education, and contained the original cap on the Canada Assistance Plan.

At the time, those on the government side accused the critics of this legislation of fear-mongering or exaggerating. Our predictions have come true and the government continues to follow this erroneous path of cutting funds to those Canadians who are most vulnerable: those Canadians who are living on something around 50 per cent of the poverty line. As if that is not bad enough, the government's purpose here is to reduce the money available to the poorest of Canadians even further. The government says that British Columbia, Ontario, and Alberta are fiscally strong and can afford to take the cuts they are being given. I think we have seen over the last little while that even these richest of Canadian provinces are finding it difficult to make ends meet, and are not fiscally strong.

• (1300)

Regardless of that, the people receiving social assistance that will be directly affected by the cutbacks in Bill C-32 are not fiscally strong. They are the poorest of Canadians, as I have pointed out. Half of Canada's poor live in these three provinces affected by Bill C-32. Being poor in a rich province is the same as being poor in a poor province.

I suggest that when those government members from British Columbia, Alberta and Ontario visit their ridings, they meet those Canadians who are the brunt of this bill. Most of them are vulnerable children who have nobody to speak for them. They are the weakest of the weak. These children are the ones who will be most affected by Bill C-32 because children make up the largest group of recipients of social assistance. When we take money from social services, we take money from children and food from their mouths.

There are over 1 million children living in poverty in a wealthy society like Canada. It is not just statistics. These are real children, real people. Yet just before Christmas I was appalled to read a quote in *The Globe and Mail* from the spokesperson from the office of the Minister of Finance, who said that everyone is not as rich as they once were, but this is Canada. Everyone is still pretty affluent.

This exhibits an incredible lack of understanding of the problems faced by millions of Canadians who live in poverty in this country. Everyone is not still pretty affluent and, of course, there are hundreds of thousands of Canadians who never were affluent. We are not talking about reduced corporate profits here. We are talking about families who do not have the means to provide the basic necessities of life.

Food banks are not popular because people like to go to food banks. People go to food banks because after the 19th or 20th day of the month there is simply no money left to buy food to put on the table. There is no money for children, and no money for the parents either. People go to food banks because they do not want to starve. It is not a question of luxuries. It is a question of survival.

When the finance committee heard witnesses on Bill C-32, as was the case when witnesses appeared on previous pieces of legislation imposing a cap on the Canada Assistance Plan contributions to Ontario, B.C., and Alberta, nearly every witness talked about how disastrous this bill would be for Canadians trying to subsist on welfare. All those who worked the front line trying to help poor Canadians pointed out how this bill would make life worse for those Canadians who are already suffering the most.

One witness said that to the federal government the Canada Assistance Plan is one of many budget items on an expense sheet. It is just a line. To people living on social assistance the Canada Assistance Plan is a lifeline. Welfare is their means of livelihood. It is not an intellectual exercise to try to balance a budget.

We have overwhelming evidence that social assistance benefits across this country are woefully inadequate. This inadequacy affects children disproportionately in a totally unacceptable way.

Yet this government is planning to continue the cap on CAP. It is taking millions and millions of dollars out of money available for social assistance in the middle of a recession when the need is greatest. It affects children the most. When the Prime Minister recently ratified the United Nations Convention on the Rights of the Child, he adopted many commitments to placing children ahead of other charges on the national revenues.

He committed himself, his government and Canada to putting children first as a charge on national resources. Yet Bill C-32 will attack those very children once again by reducing the money available in those three provinces for the basic necessities of those children.

Article 27 of the Convention on the Rights of the Child says that Canada, among other nations: "must recognize the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development".

Quite clearly, with social assistance rates at around 50 per cent of the poverty line, this commitment on the part of Canada is far from being met, and Bill C-32 will make it even more difficult to meet. Rather than heading toward responding responsibly to our commitments to the international community and to Canada's children, we are making matters worse for them. Surely this is the rankest of hypocrisy.

The ratification of the convention is not a public relations exercise, it is a commitment that Canada made to putting its children first. I hope the government will finally see the light and agree that following the regressive policies being pursued is making children worse and making Canada's commitment hollow.

The recent changes in federal social and tax policies have not helped Canada's poor, they have made matters worse. There is a litany of government initiatives which have attacked Canada's poorest, making Canada's poor pay for the deficit, pay for the extravagances of former federal governments and this federal government. It was not the poor who generated this deficit; they are the least able to respond to it and yet they are being asked to pay to get this government out of its fiscal difficulties.

It is not just Bill C-32. Bill C-21 makes unemployment insurance harder to get and it makes it run out more quickly. We have seen hundreds of thousands of new unemployed workers across this country as a result of this government's economic policies, as a result of free trade and as a result of the global competitiveness that Canada is finding it so difficult to respond to. We have more unemployed workers who are moving into social assistance more quickly because of the adverse changes made to the unemployment insurance program.

The partial deindexation of family benefits means that families who need money get less each year. The clawback on family allowance and pensions, also not fully indexed, means that the threshold for the cutoff of benefits gets lower each year. Further cuts to social assistance and health and post-secondary education are threatening the future of medicare and accessible post-secondary education.

There is still no child care strategy, which is so necessary to ensure that many Canadian care givers can also take part in the workforce. We saw the GST and the tax credit, again not indexed, so more and more of Canada's poorest will be denied their GST tax credit as time goes on. In my province we have now seen the GST attached to water, a basic necessity, something this government said would not take place. The government committed itself to not taxing necessities when the bill was introduced, but we see it nonetheless expanding.

It is clear that this is more than just financial; this is about politics, it is about a philosophy, it is about a way of responding favourably to the government's friends and attacking those who live a life of poverty and hunger.

The minister talked about how necessary the Canada Assistance Plan was and how necessary it was to make these cuts; presumably, therefore, how necessary it is to worsen the situation of the poorest of Canadians. He pointed out what the Canada Assistance Plan does—it helps the poor. Why would this government want to cut a program that helps the poor? He talked about how the Canada Assistance Plan is useful because it provides an opportunity for people who are in need of assistance to receive that assistance, and then go on hopefully to form a part of the work force later.

• (1310)

By cutting the resources available to the Canada Assistance Plan, this government makes it more difficult to reform the system, makes it more difficult to assist Canadians to re-enter the job market. That is what the government says it wants to do.

There is no real commitment to employment by this government. Unemployment is getting worse. No government since the war has committed itself to a policy of full employment. That is the core of this issue and that is where I would like to end up.

It is critical if we are ever going to address the problems of the poor, which are placing demands on government resources which the government responds to by cutting the resources available to those poor, that

this government commits itself to full employment as a central core, as a central goal of government. That means a commitment to putting the creation of jobs first and foremost of the aims of government. It is more important than controlling inflation or controlling the deficit.

It means that employment is not sacrificed in order to deal with problems with the deficit, problems with interest rates, problems with inflation. It means that unemployment is not created in order to deal with these other economic problems. They are admittedly important economic problems but they should not be dealt with on the backs of the unemployed and on the backs of the poor.

Unemployment should not be created in order to reduce inflation. It should not be created in order to control interest rates. It should not be created in order to deal with other economic problems. A commitment to full employment means that other economic indicators will be dealt with in other ways, but we will ensure that all Canadians have the opportunity to adequately paid, decent jobs.

The government has not been very successful in its job creation efforts, again as committee after committee of this House has heard. We have seen increases in part-time, temporary and low wage jobs in the service sector, but we have not seen any net gain in decent paying jobs in the manufacturing sector. In fact, we have seen net losses.

If the present federal government wants Canada to be competitive, which it says it does, then why has it cut funding to education more than any other government in the history of Canada? Why has it burdened provincial governments in such a way that it is unable to function effectively to respond to the needs of the competitive world market?

If we are serious about solving our social problems, if we are serious about solving our economic problems, we cannot continue to pursue the policies that this government has pursued. We have to put full employment at the top of our agenda with all the ramifications involved including education, technical training and the need to ensure that there is a child care policy which enables people to take advantage of job opportunities. We need adequate housing, again a commitment which this government has broken with regard to co-operatives and social housing. We need to ensure that we have a fair tax system so we have the resources needed in order to cover the costs of the programs that Canadians view as so important.

We do need a commitment to full employment. That commitment to full employment, where it is being pursued across this world by social democratic governments, has been successful in reducing the costs, the burdens of social assistance. In countries like Norway, for example, the child poverty rate is 5 per cent; in Canada it is 25 per cent. It is not an accident. There is a strategy which is available to this government if it wants to pursue it. No Liberal or Conservative government since the war has even begun to think in these terms.

It appears that we have to concentrate in dealing with this government on emphasizing the economic costs of dealing with the situations we have. It is not enough for children to be poor in this country to get this government to respond. It is not enough for people to be unemployed in this country to get this government to respond. It is not enough that students cannot attend university to get this government to respond.

It is important to recognize the economic pay-offs as well as the social and humanitarian benefits of dealing with these social problems. Fewer poor people will translate into increased tax revenues as they work and contribute to the government's efforts as well as government savings resulting from reduced demand for social security, health care, subsidized child care, subsidized housing and so on. A better educated and trained work force would not only be an important solution and response to poverty, but essential to Canada's economic survival and prosperity.

A more effective and lasting solution rather than to slash spending on social programs would be to cut the demand for social programs, to be preventive in our approach, to try to respond to the economic, social and health damage caused by unemployment and low wages, by pursuing economic policies directed toward full employment and decent paying jobs.

As we know, Canada spends billions of dollars on unemployment insurance for the jobless, on social assistance for the long-term unemployed and single parents who cannot find child care and a job, on income supplements for the elderly who work for low wages and

on other social and health programs which attempt to deal with our labour market induced poverty.

Why do we not concentrate on stopping that poverty and developing economic policies which ensure that people do not become poor? In this country we have put up with unemployment rates well above those of other developed nations, our competitors, without addressing those real concerns. We need a different approach and a commitment to help those who are suffering in poverty. We need a commitment to social rights.

As we heard in Montreal on the weekend, Canadians believe that we should commit ourselves to the health care programs we all view as so important to the social safety net which we have seen eroded by this government over the last seven or eight years.

We saw that commitment in Montreal and we see it across the country as we go about our business as MPs. We see people who want Canada to recognize that our social programs and our health care programs are critical to our national survival. They are critical because they provide a safety net for people so that when we attempt to deal with the economic problems that we clearly face, those people can do so with some confidence in knowing that they will not be poor and that they will be able to feed their children in the event that they might lose their job.

This government is not listening and that is why it is at record lows in the polls. If it wanted to look at what happens when governments do not listen, it should just look at those provincial governments across this country that have not listened to the complaints and the concerns of those who are most badly treated. Those governments are being defeated and that is what will happen to this government, although not before it creates so much damage. That defeat cannot be soon enough.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I appreciated the speech of the hon. member for Saskatoon—Clark's Crossing. I agree with much of what he said.

I want to ask him to explain to the House why he is able to be so critical, and deservedly so, of this government's disgraceful performance in the field of education and health as evidenced in particular by this bill we are discussing today. Recently the New Democratic Party government in Ontario, of which I know he is a staunch supporter, reduced the transfers to hospitals and universities in the province to a 1 per cent increase during the current financial year. I think he would agree with me that is perhaps both ill timed and inappropriate, particularly in the case of the universities which, according to his political colleagues in Toronto, have been chronically underfunded for years.

I wonder if he could explain to the House the fact that it seems the government in Toronto behaves exactly as the government in Ottawa does. They are both Tories and there is really no difference in how you vote.

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I was expecting a question in that vein from my colleagues. Clearly, it is the case that provincial governments across this country, even those in the richest provinces, are squeezed for revenues.

• (1320)

They have looked in the short term to what changes they might make both on the revenue side and on the expenditure side to deal with these concerns.

Part of the problem, of course, arises as a result of accumulated Liberal debt in Ontario while the government in that province voted Liberal. Where spending was profligate to say the least in good times, the Liberal government in that province borrowed, even when it should have been salting away money for the tough times after it was defeated.

Part of the problem revolves around the creation of the debt by the Liberal government of Premier Peterson. Part of the problem and a very important part of the problem is as a result of cutbacks in transfers to Ontario. Indeed, most of the deficit in the first budget of the New Democratic government in Ontario was as a result of federal cutbacks.

While cutbacks to universities and health care raise concern, at least if they go on in the long term, in the short term it is unfortunate that they needed to have taken place. It is clear that unlike the Liberal and Conservative governments across this country, the New Democratic Government of Ontario, as with the New Democrat governments in British Columbia, Saskatchewan and the Yukon, are committed to bolstering those institutions in the long term rather than continuing to attack them.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I too agree with a good deal of what the member was saying.

In Victoria last week the minister responsible for constitutional affairs indicated, if my ears were correct, that one of the reasons his government does not want equal representation for each province in the Senate is that the have not provinces would control the Senate.

I found that astonishing for somebody who believes in sharing, in compassion and that sort of thing, a new minister of an NDP government, to say. I compliment the member's own provincial premier for in effect endorsing a Triple-E Senate. I wonder if he has any comments on what appears to be the attitude of the new NDP government in British Columbia.

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I saw that exchange between the member from Edmonton and the minister of justice in British Columbia. I believe the minister advised the member from Edmonton to stop while he was ahead after getting into so much trouble with his line of questioning.

An hon. member: While he was behind.

Mr. Axworthy (Saskatoon—Clark's Crossing): Yes. He could have stopped while he was behind. That would have been an even better piece of advice.

It is clear that we are not going to have an equal Senate across this country. I do not think we need to spend a great deal of time on it. We are not going to have the province of Prince Edward Island having the same number of senators as the provinces of Ontario or Quebec and I do not think it has anything to do with the discussions that we are having today with regard to cuts in social programs.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I want to comment first of all on the excellent comments by the member from Saskatoon.

I would be intrigued with observations that he might be able to make on the fact that CAP was a cost-shared program between the federal and provincial governments. It had strings attached. I would be interested in his observations and a comparison with some of the other programs we have in the country, in fact, federal spending on post-secondary education and health. It used to be tagged to ensure that that funding did get spent in those areas. Of course, it was changed under the Liberal's six and five program.

I would be interested in his observations on the benefits of that kind of system and some of the difficulties that there might be. He will know, just for background, the difficulty of the former government in British Columbia. It was alleged in any case that it spent a great deal of post-secondary education and health money on highways. I would be interested in his observations and how he might try to resolve that issue so that we can ensure that federal transfer payments are spent in the places they should be.

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, so many of these are issues that do not affect one province alone. Canadians are relatively mobile, at least in provinces outside of Quebec. They move across this country. People from Newfoundland go to Ontario, people from Saskatchewan go to British Columbia, and so on.

When we are dealing with issues of education, health care or social assistance, we are dealing with matters of national importance which affect Canada in a national way. A university in British Columbia services not only British Columbians, but Canadians from all across the country. That is why it is important that the Government of Canada respond in a national way to this issue, respond to the question of funding of universities and colleges across this country in a national way, and recognize that there is a benefit to Canada as a whole from those universities and colleges all across the country. It is important for Canada to know on what it is spending its money. It is important that the provinces spend the money that comes to them for health, post-secondary education and social assistance on those very programs.

In the social assistance area, we have seen that the tied nature of the program means that the provinces do spend the money on social assistance recipients in their provinces. Not only in British Columbia, but in New Brunswick and in other provinces, we have seen Social Credit, Liberal and Conservative governments spending federal dollars for other purposes than were desired.

Then we saw the federal government less desirous of making sure those provinces spend health care dollars

on health care and education dollars on education, allowing those provinces in effect to spend Canadian dollars, dollars from the federal government which were designed to recognize the national importance of health care and post-secondary education on provincial highways, about which there is not a national interest.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am happy to have the opportunity to speak on this bill on the first day of resumption of debate here in the House of Commons. We all have had time to go to our ridings and listen to what people are saying in terms of priorities that are on their minds, the concerns that they have.

Without a doubt, the number one preoccupation of Canadians, not just in my riding, and we heard this when we had caucus meetings earlier this week, is unemployment. We must develop ways of putting people back to work. In the last month to six weeks, people with jobs are even more concerned about the unemployment problem than the people who are without jobs. They naturally feel that any day or any week could be the week where either they are going to be laid off or their company could be one of the companies that is being shut down or is forced to go into bankruptcy.

It is really important. I salute the member for Saskatoon—Clark's Crossing who talked in his speech about the issue of unemployment being right up there. I only wish he could transmit that message to his premier, the NDP premier in the province of Ontario. Just last Friday, a few days after that premier gave a speech on how important it was to put people back to work, he and his minister of municipal affairs, without even hearing a formal presentation on a job creation project just north of Toronto that would have created 17,000 jobs—the Queensville Properties project—a project that included an environmental university, some light industry and 5,000 affordable homes, was canned. They cancelled it without having a formal briefing.

I am really concerned about some of the hypocrisy that takes place when we get into this debate. I go back to the remarks of the Minister of State for Finance and Privatization when he led off this debate today. He said that this bill, this cap on CAP, is important because of the fiscal realities that we are dealing with in this country. He said it was important because they must maintain their government's restraint program.

• (1330)

He talked about this bill helping put people back on their feet. This bill hurts those people who need it most, at a time in our history when we have probably never experienced such deep economic pain. How the government can rationalize this bill at this time, this cap on CAP, is beyond me. It is a further example of when this government sees a shortfall in revenue, instead of trying to figure out ways to create more wealth, it cuts. This is a government that for seven years has been retreating from its responsibility as a national government. Whenever it runs into a difficulty where there is a shortfall in funds, it cuts it, privatizes it, caps it.

We have now reached a point where this national government is so stripped and so decentralized that this institution can barely function as a national government. The people of Canada are aware of it. Quite frankly, if there is one thing that I learned in the last six weeks, it is that most Canadians think that this Parliament is irrelevant. Most Canadians believe we are not doing anything. In fact, most Canadians believe that if anything, we are making the situation worse.

I think to have this bill on the agenda the first day back, when people were looking for some leadership and some hope from this national government, is the height of cynicism. I really do. What we should be doing in this House of Commons today is debating morning, noon and night ways and means to put Canadians back to work.

If we were putting people back to work, this bill would not be necessary. The problem that we have, and the government is nervous about this, is that this year our unemployment insurance draw will reach close to $20 billion and the welfare draw across this country will reach close to $10 billion. Just in those two funds alone, it is equal to the entire deficit of this country for the whole year. In terms of logic and priority, if we could take that unemployment fund and move it to the productive side of the ledger, we would not be debating this bill. There would be no demand on special support for those most disadvantaged in our society. The extra demand for cash would not be required because people would be leading productive lives

The one thing that I heard over and over again during the last six weeks in my riding in downtown Toronto is that people who are on welfare and on unemployment insurance are feeling guilty about taking that assistance. A lot of people, for the first time in their lives, have had to go on unemployment insurance and welfare in the city of Toronto. Our welfare rolls have doubled in the last year and a half. We have got people saying: "Gosh, I'd much rather be doing something in the community. Give me something to do".

There has always been a slur or an aspersion cast upon people who in the past have taken unemployment insurance and welfare. It is as though most people who are on welfare want to be on welfare. That is not the case. We have to figure out ways to get the people who are on welfare and unemployment insurance back into that work force.

We cannot just stand here and criticize the government. There are ways. I would like to start off by saying that there are 900,000 entrepreneurs in this country. I remember in 1981 when the member for then Winnipeg—Fort Garry, the hon. member for Winnipeg South Centre, who was the minister of employment at that time when there was also a very deep recession in this country, came up with the NEED program in which for six months the Government of Canada guaranteed 50 per cent of a person's wages. For the next three months it guaranteed 25 per cent of it. When it analysed that program after its completion, it was ranked to be one of the most successful programs in terms of getting people back to work quickly.

That is the kind of initiative that we need in this Parliament of Canada today. Just because it happened to come from a Liberal minister of employment, the government should not feel shy in taking that idea, dusting it off and using it again.

Mr. Walker: Mr. Speaker, on a point of order. I understand this is a piece of government legislation which normally requires a minister to be here in the House.

The Acting Speaker (Mr. Fee): I have been advised that it is the custom and tradition of the House that we not mention the absence of any member. We will just resume debate, please.

Mr. Mills: I think my colleague, our critic responsible for social development for the Liberal Party, is naturally concerned that on a bill like this we have a bit more support from the government side. We are not just trying to be critical of its policy, we are trying to put some ideas forward that will allow us to put Canadians back to work.

I want to repeat that the hon. member for Winnipeg South Centre had a program in 1981. It was called the NEED program. In about 90 days we put about 300,000 Canadians back to work. We used the 900,000 businesses in this country to become active and take a chance on the human capital not employed because of the deep world recession. Why can we not do the same today? Why can we not find ways to enhance our municipal infrastructure which needs rebuilding, which needs repair?

What are we waiting for? These are things that would not cost the treasury that much because they are jointly shared programs. The province puts in one-third, municipalities put in one-third, the national government puts in one-third. By the time we figure what we are already paying, that $30 billion on unemployment insurance, plus welfare, if we turn that into a productive labour force, that would get this economy kick started again.

These are the kinds of things that Canadians want to hear us talking about in this Parliament of Canada. They want to hear us debating ways in which we can get people back to work. When people are back to work, there is less stress on the health care system, less stress on family life, and less stress on all the other social services, which ultimately would mean that this cap on the Canada Assistance Plan for those most in need would not be required. We would not need to be debating this legislation in the Parliament of Canada today.

Once again the government is using this almost tunnel vision approach to facing the deficit and debt of the nation. It is an incredible thing. It has almost brainwashed Canadians into thinking that deficit and debt are the priority one issues in this country.

• (1340)

It has almost brainwashed Canadians into thinking that for the last seven years this government has lived within its means. This government has not lived within its means from the very first day it came into power. It came into power with a $180 billion deficit and half of

that $180 billion was the social cushion that we as Liberals put forward during the worst recession of the early 1980s. It was not just on unemployment insurance. We never capped CAP. We also had the special recovery projects in which we had all kinds of municipal projects going coast to coast.

When this government talks about living within its means, from $180 billion it took it to $410 billion. This government seems to somehow think that Canadians are so stupid that they will not realize that this government is responsible for $210 billion of that debt. What has it got to show for that $210 billion? It has dismantled Crown corporations which serve public policy. It has sold off lands across this country which serve public policy instruments. It has made cutbacks in every initiative.

I was in the Middle East last week, in Aman, Jordan talking to a group of Canadian small and medium-size businessmen. This government talks much about global trading and there is billions of dollars worth of business opportunity for Canada in the Middle East. In that entire region there is a very warm hearted feeling toward Canada. I must say it is mostly because of the previous Prime Minister, Pierre Trudeau, not this government.

This government talks about globalization and trade and yet these businessmen had their PEMD grants cut. This government has not supported global trading in the last six months for the business people of this country who want to go over there and try and write up orders that could come back here and fill our factories and create jobs. There is a total inconsistency with what its stated objectives are in terms of this fiscal responsibility and what its actual actions are. This government has not done a thing in the last six months to take a chance on the human capital that exists in this country. It has not come up with one job creation program in the last six months. People are telling us day in and day out that we have to do something to stimulate this economy, to get people back to work.

I am not saying to throw more money at it. I am not saying we should ignore the deficit or the debt of this nation. The only way we are going to tackle the deficit and debt of this nation is through full employment. The only way we are going to get full employment is by some inspiration and support to the 900,000 entrepreneurs who are currently employing 85 per cent of this nation.

As we start this new season, this new Parliament, when Canadians are looking for some hope, looking for some initiative from this Parliament of Canada, we have to figure out a way to communicate to the government that it should take a chance on Canadians. It should stop listening to the officials in Finance who are so obsessed with the deficit that they are exacerbating it. They are stifling creativity. I know there are many good members on that side of the House who are in their own way solid, performing entrepreneurs with good ideas.

The Minister of Finance and the Prime Minister must listen and give support so that we can get people back to work. Once we reduce the unemployment problem, which is the paramount issue in my mind and in the minds of any of the constituents I talked to in the last six weeks, the draw on the assistance plan is going to subside.

There will be no need to bring in this bill. Right in the middle of a period of cold winter when people need help most, the government, on its first day back, comes out with a bill that wants to restrict payments to those most in need in our society.

I think it is bad timing. I think it is in poor form, poor taste. Let us shift the direction of this House of Commons to the number one issue, job creation, even if we have to debate it around the clock until we figure out ways on which we can all agree to get people back to work immediately.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I would like to congratulate my hon. colleague.

I represent the riding of Sudbury. In the 1980s there was a major recession and our area was extremely hard hit. I have the voice of experience when it comes to what timely make-work projects can do to a community and the kind of boon it can be, and the kind of stimulus created. As a result of these stimulants injected into our economy in the Sudbury area in the early 1980s, today we perhaps are one of the regions hit the least, at least in northern Ontario. That should not prevent the government from preparing some kind of measures to help those other areas which are equally hard hit now. The regions may have changed. Some of them are the same.

One of the things that really strikes me with this bill which is a cap on CAP is that it will in essence curb the spending in certain areas that are considered the rich areas.

I do not know where this government has been living for the last year or so, but there are really no more well-off areas. All you have to do is look at the unemployment statistics in southern Ontario. You might as well not bother looking in any of the regions of northern Ontario because there are absolutely no jobs there, and the prospects are not looking very good. If you look at the resource sector, the mining sector, there are just not very many wealthy areas, including the west.

I am wondering why this government is pushing ahead with a piece of legislation which is behind the times.

What we have to do now is work together to redress the problems that have been created in this country and not try to shift them to people in certain areas. The people in Ontario, the people in Alberta, and the people in British Columbia are no better off than the people in other areas of the country. Why would you insist on pushing this bill further and not deal with the economic problems? Perhaps you have some statements to make to this.

Mr. Mills: In reacting to my colleague's comment, as I said earlier in my speech, this kind of action the first day back in the Parliament of Canada shows me that this government's level of creativity is really suspect.

There are literally hundreds of ways that we can put people back to work in this country. Look at the tourism opportunities in this country right now that we could be taking advantage of which would put people back to work right away. Instead of spending $30 million in promoting government programs and services, let us spend $30 million in promoting people to travel and come to Canada.

I think Canadians would like to see all of us in this Parliament locked in this room and not let out until we come up with a program that will put people back to work. In the private sector, if your business is going badly or you are having a tough time, you do not work nine to five Monday to Friday. You come in at six or seven in the morning and work until late at night. You work Saturdays and Sundays. That is what the government should be doing. It should be taking the lead and have emergency debates on employment. It should work Saturdays and Sundays until everybody is back to work. Then its problem with CAP would be eliminated.

• (1350)

Mr. Speaker, I say to you and my colleague that it is very tough for a young entrepreneur like myself to understand why the government is not doing this. There are hundreds of thousands out there right now who fear maybe not being able to meet a payroll, or that the bank manager will not extend their line of credit when times are tough. They are counting on this House of Commons to try to solve their problems. I hope we can this week.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I know the hon. member for Broadview—Greenwood has made an excellent speech. I wonder if he is despairing of the opportunity to proceed with the debate along the lines he had suggested. The reason for my asking about his possible despair is the lack of enthusiasm on the part of the government to listen to the debate, evidenced by the fact that not a single minister is here to hear his excellent presentation.

The Acting Speaker (Mr. DeBlois): Order, please. I must remind the hon. member that it is not according to the rules to—

[*Translation*]

It is against the Standing Orders to mention the presence or absence of another member in this House.

The hon. member for Kingston and the Islands.

Mr. Milliken: Certainly, Mr. Speaker, but it is also customary in this House for a minister to be present during debate on a government bill.

[*English*]

In any case I ask the hon. member for Broadview—Greenwood if he could perhaps indicate whether there are problems getting an urgent debate on a subject like this in the House, trying to restore employment to acceptable levels in Canada, and if in fact he thinks the government is serious in its efforts to get Canadians back to work.

Mr. Mills: Mr. Speaker, most Canadians think we are irrelevant in this House of Commons. That is one thing we certainly felt listening to people when we were home

during the last six weeks. I know most members on this side of the House must concur with the feeling that most Canadians have. Time and time again we put ideas forward from this side of the House and they seem to fall on deaf ears. The government says that it listens. I challenge the government to initiate an emergency debate on the number one issue in this country: the issue of full employment.

I can only ask the government, and I repeat myself, to please listen to Canadians. Let us make this House respectable once again and get a program for full employment on the floor of this House before the end of the week.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, it is not a pleasure to get up and speak on this bill today. I have spoken on it at two other stages of its passage through this House. I would have thought after being home for six weeks to witness firsthand the carnage the recession has left in every single constituency in this country that the government would have come back perhaps a little kinder, gentler and wiser. It must understand this is exactly the type of legislation which will not just drive Canadians further over the abyss, but will create untold millions of throw-away people—our children—in the future.

I want to speak specifically. I have very limited time before we go into Question Period. There is something very disturbing about what is going on in this country.

Bill C-32 puts a cap on CAP. I heard the minister say this morning that this bill and this government have made sure that those who need the help the most are not affected. I hate to tell the government and the minister this, but poverty does not know geographical barriers.

I am sure the poor in metro Toronto do not think they are any better off because they live in Toronto or Ontario than the poor in Manitoba or Nova Scotia. If you are poor, you are poor and that is it. The government has come in with this amount of flimflam and said that all it is doing is capping the growth of its contribution to the Canada Assistance Program in the wealthiest provinces.

It should check its head offices and have a look at what it has done in the Ontario economy. It has driven the Ontario economy from being one it considered overheated two years ago—it attempted to anaesthetise it by putting interest rates up outrageously—into recession. It drove hundreds of thousands of children across this country into poverty.

One of the members earlier was talking about children and poverty. I looked over to the minister and his buddies and they were having a good guffaw. I do not know what the heck they were talking about, but I will tell you if anybody here ever doubts whether or not we are doing our job, talk to a mother or a father who cannot feed their kids nutritious food.

Talk to parents who believe they are not the best thing in the world for their kid because they have to live in substandard housing. They are living in places with rats and termites and their kids go to school in worn out clothing, with no food in their bellies. It is not just happening in the slums, it is happening right across this country.

This government has some nerve to come in here today, as my hon. colleague from Broadview—Greenwood said, after witnessing firsthand the carnage that is out there, and proceed with this regressive bill. There are some pretty disturbing statistics out there. If we could strip our partisanship down just for a few seconds, we might figure out that as human beings we have a responsibility to do something here.

This is not Bangladesh, it is Canada. Yet in Canada we have over 1 million children living in poverty. Those kids do not vote. They did not vote for this government or the opposition. Damn it, they are children who did not choose to be born into poverty. They were born of parents who live in a country where you should expect better treatment. It is a country that is wealthy enough that no one who has the skills, ability and desire should have to see their dreams collapse or their pride or integrity go down the drain because they are living on $650 or $700 a month on municipal welfare. What a great life.

There were some statistics quoted this morning. They are one of the reasons I wanted to get into the debate before two o'clock. This is not just one of those bills to fix, extend, broaden, or plug some tax loophole or some nicety of fiscal manoeuvring between one government and the next.

I am going to quote my hon. colleague from Winnipeg who has led for us in debate and has done an incredible job. He quoted from a *Globe and Mail* story dated Saturday, December 28. You can read this and weep. It says that between 1989 and 1990 the fate of Canada's poor children got worse. Their numbers rose by 15 per

cent in one year to over 1 million children living in poverty.

Another part of the article says that girls whose families are on welfare—listen to this one—have 3.9 times the rate of poor school performance compared to girls whose families are not on welfare. There are one of two things happening. Either those people who eventually find themselves out of a job and on welfare have kids who are not as smart, or because they are on welfare and perhaps not getting nutritious food, those children are not able to perform in the school system to their fullest potential.

You can go a little further. On the next page it said: "Child poverty rates are directly tied to adult jobless rates." It means that if a child is plunged into poverty because the government has not created the economic climate which will allow that parent to participate in the economy to the fullest of his potential then it is creating a cycle of throw away people.

• (1400)

I have three children of my own and I would do anything in the world to make sure that those children have every opportunity to develop to the fullest of their potential. I can imagine how I would feel or how any member of this House would feel if we knew our children could not find a job and that having to live below poverty in this rich nation would lead to their children not being able to dream about the successes that should be theirs. This government constantly denies the reality of the facts that are before us.

My colleague from Broadview—Greenwood indicated that what we need is a government which is concerned, not about keeping people on welfare below the poverty levels, but a government that is concerned about putting people back to work, making them productive, allowing them to dream, allowing them to plan for their children and for their children's children's future.

This government has done absolutely the opposite in the last two and a half years. It has come in with a series of regressive measures that has taken money away from training, job support and job creation. My goodness, look at what the Liberal government, that members opposite love to criticize all the time, did in the last recession. We came out with programs. We had a special capital recovery program to put people back to work, to give people their dignity back.

The Speaker is motioning to me. I think my time is up, but I will continue this a little later, Mr. Speaker.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CANADIAN CENTRE FOR OCCUPATIONAL HEALTH AND SAFETY

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, on a number of occasions, my hon. colleagues from Hamilton East and Hamilton West and I have inquired about the government's plans for the Canadian Centre for Occupational Health and Safety.

We have been assured that the government intends to keep this world class facility open. Yet late last year a Treasury Board document indicated that the Minister of Labour was asked to prepare a plan to close the centre. This was to be completed by mid-January of this year.

To close this unique information centre would be a tragedy for Hamilton and for working people across Canada. The centre has been living in limbo for long enough.

I call on the government to give some indication of its commitment to work place health and safety in this country.

* * *

HOUSING

Hon. Alan Redway (Don Valley East): Mr. Speaker, I wish to congratulate today the minister responsible for Canada Mortgage and Housing Corporation, the Minister of Finance and the Prime Minister for the announcement that 5 per cent down payments are now available to first time home buyers.

This initiative will increase home ownership, encourage personal initiative and reinforce family values. Many Canadians can afford mortgage payments for a home, especially with the present lower interest rates, but they cannot afford the down payment. CMHC calculates that 5 per cent down payments will allow an additional 200,000 Canadian households to own their own homes.

Past National Housing Act experience shows that the risk of mortgage default is virtually no different with a 5 per cent rather than a 10 per cent down payment.

In addition, this initiative should create hundreds of jobs at a time when they are desperately needed.

This announcement sends a very clear message that the government understands the current economic difficulties faced by Canadians and intends to do something to help.

* * *

IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, the Minister of Employment and Immigration recently announced changes to the foreign domestic workers program which instead of improving the program has actually eroded it further. The changes fail to recognize work experience and, by forcing domestics to live in, leaves them vulnerable to abuse by employers.

The six month full-time training program criteria will make it virtually impossible for people from the Caribbean and other developing countries to qualify for these programs because they do not exist.

This Tory government is reverting back to the good old days of the British Empire and European trained nannies while paying lip service to multiculturalism.

I call on the government to deal with the recommendations submitted long ago by the domestic worker support groups which it has not answered. The work provided by foreign domestics must be recognized as an occupation needed in Canada. Foreign domestics must have the right to live out and their relevant experience as care givers and housekeepers must be recognized above formal training.

* * *

IMMIGRATION

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, many a Canadian child has been cradled in the arms of a nanny from another country. These women come usually from the Philippines and other developing countries and provide services greatly in demand as housekeepers, child care givers or parents' helpers. Domestics work for very little money but often feel it is reward enough to have a job at all, coming from countries where their futures are defined by poverty and lack of opportunity.

Therefore it is hard to comprehend why the Department of Immigration is tampering with the foreign domestic program. It is setting unnecessarily high educational standards, asking for the equivalent of almost a college degree for new applicants and in effect killing the program for those who come from developing countries. It is telling them they are no longer welcome in Canada and if they come, they must live in. This is blatant discrimination aimed at those least able to defend themselves. Life has already dealt these women enough misfortune.

I urge the minister of immigration not to add to it. Restore and improve, not destroy, the program in the name of equality and human dignity.

* * *

AGRICULTURE

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, today I would like to convey congratulations and appreciation to the Prime Minister on behalf of grain farmers of western Canada for providing another avenue by which we can market our wheat.

The help provided by our government will not only assist our farmers but will encourage new economic aid and investment for Russia. We are helping the Russian people become democratic while ensuring that the future of Canadian agriculture will be sustained and strengthened.

* * *

HEALTH

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, since 1988 I have demanded that the minister of health act to safeguard the health of Canadian women and remove the Meme breast implant from the market. At the same time, women from across this country who have expressed their concerns that their health was being endangered by other silicone breast implants were dismissed as being hysterical, irresponsible and uninformed.

Well, Mr. Speaker, the Meme is off the market and the U.S. food and drug administration has called for a moratorium on the distribution and use of silicone

implants. Belatedly, this government has followed the U.S. lead.

Scientists have known for 30 years that the presence of silicone in the body can be a contributing factor to a host of auto-immune diseases. Both the FDA in the U.S. and the Health Protection Branch here in Canada have been aware of these problems and yet have allowed women to be used to test implants. Dr. Pierre Blais raised the alarm and was fired. Pierre Blais has been vindicated and it is obvious from what we know now that we cannot rely on the manufacturers to prove the safety of implants.

This government has dithered, dodged and denied its responsibility—

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

* * *

AEROVOX CANADA INC.

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, at the end of December the American parent company of Aerovox Canada announced it was closing the Amherst, Nova Scotia branch plant of Aerovox and moving all production to the United States.

This came as a surprise to all involved as the plant had just announced an expansion a few months earlier, along with a plan to move all production to Canada. The Amherst plant is more competitive and generates over 15 per cent profit on sales while the U.S. plant generates only 6.5 per cent. While generating only 12 per cent of the total Aerovox sales they contribute 24 per cent of the profit in Canada.

Based on common sense and normal business practice, the Amherst plant should be the one to stay open. Meanwhile discussions have begun with Industry, Science and Technology in an effort to locate a new product or owner for this factory and a local community committee has been formed to search for solutions. As well, the Department of Industry, Science and Technology is committed to assist in any way possible.

I urge the minister to take a personal interest in this issue because what happened to the employees in this factory in Amherst just should not have happened.

S. O. 31

TRADE

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, despite almost daily assurances in the last session of Parliament, this government appears to have given up on its efforts to negotiate a strengthened and protected Article XI in the current GATT negotiations.

This government has not yet gone the last mile to protect our supply management system which has provided stable prices for our dairy, poultry and egg producers and secure supplies for Canadians for more than 20 years.

• (1410)

I call on the Prime Minister to enter into bilateral negotiations with his counterparts in the United States and the European Community, directed at gaining support for the clarification and strengthening of Article XI. Also I call on the Ministers of International Trade and Agriculture to do the same with their counterparts.

As well, every effort should be made to establish negotiating ties, bonds of support with other countries which may be inclined to support our position, including Japan and South Korea.

We have had enough idle talk. Let us now see some concrete action for the dairy, poultry and egg producers of our country.

* * *

TRADE

Mr. Peter L. McCreath (South Shore): Mr. Speaker, the Canadian supply management system has fostered stable, viable poultry, egg and dairy industries in Atlantic Canada. By contrast, the American system has led to a highly integrated, highly concentrated, centralized industry.

Expectations of Atlantic farmers are that if the draft agreement put forward by Arthur Dunkel at the GATT negotiations is implemented, it will lead to the wiping out of vast numbers of Atlantic farmers.

Our farmers are pleased with the position taken publicly by the Government of Canada and with the fact that the Minister of Agriculture has taken an unequivocal position on the need for the maintenance and clarification of Article XI.

However, farm organizations are being told by sources at the Geneva talks that Canada has been less than aggressive at the bargaining table.

When it comes to negotiations, the U.S. and Europe play hardball. We must be prepared to do the same. I urge the Prime Minister and the government to direct its negotiators at the table to be vigilant, tenacious and when necessary aggressive in continuing to press the position taken by the Government of Canada at the GATT.

* * *

UNEMPLOYMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in metro Toronto and other parts of Canada the plight of people out of work is desperate. Those who have run out of unemployment insurance benefits see themselves as being forced to seek welfare assistance. That is not fair. The government talks of recovery but is unwilling to stimulate the economy and thus generate jobs for Canadians. It is irresponsible to tell the unemployed to go on welfare. It is irresponsible to expect municipalities and municipal taxpayers to foot the bill for this government's mismanagement of the economy.

The federal government should extend the benefit period for the unemployed, take steps to stimulate the economy to create new jobs for those who are trying to re-enter the labour force and for those seeking their first job.

Unemployed Canadians are in a desperate situation. All they want is a chance to work.

* * *

IMMIGRATION

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, last week while the House of Commons was in recess and the lights of the TV cameras were absent, the Minister of Employment and Immigration announced changes to the foreign domestic workers program.

He said that the changes would help domestic workers. But the many workers out in front of Parliament today protesting do not agree. The government is again using the guise of competitiveness to implement unfair policies.

The requirement to have a grade 12 education, a six month training course in live-in care and the ability to speak French or English will slam the door on women from the developing world.

These new requirements are not requirements for Canadians. A full high school education in the Philippines does not meet the Canadian grade 12 equivalent. There are no courses available for domestic workers in most of the Caribbean or in the Philippines.

Instead of addressing the unfairness of the current program such as violence and abuse, the minister is creating these needless standards and shutting the doors to Canada.

* * *

COMMUNITY FUTURES PROGRAM

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, I rise today to talk about the Community Futures Program. This program has been the subject of many positive evaluations and reviews.

The Community Futures Program helps to plan strategies and develop initiatives that enhance a community's long-term development and improve the quality of the labour market.

A total of 221 Community Future areas, covering most of small town, rural and remote Canada, are participating and improving their local development capacities through this program.

The North Hastings Community Futures Committee and the Land O'Lakes Community Futures Committee have both offered a unique approach to addressing the needs of my large rural eastern Ontario riding of Hastings—Frontenac—Lennox and Addington.

A third area in my riding, Centre Hastings, has applied for funding under the Community Futures Program. I am hopeful this area will be able to benefit from this program which has received a positive reception from community leaders and has contributed to a great many success stories in my area of eastern Ontario.

THE FAMILY

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, one of the most important elements in our Canadian society is the family. In recent years the Government of Canada has clearly demonstrated its commitment to the family unit in this country. This has been done through adjustments to the child tax credit and through various initiatives to address family violence. More work, however, must be done not only by governments but also by family organizations and by society at large.

One such family oriented group is called "Kids First". Kids First is a national organization of parents who raise their children at home. Formed in Calgary in 1986, its thousands of members right across Canada are working hard to ensure fairness in our tax laws. Kids First is fighting for a fair deal for parents who choose to care for their children at home. Let us all support Kids First.

Let us work together for a better future for our children. Let us all work together for a better Canada.

* * *

ROBERTA BONDAR

Mr. Maurice Foster (Algoma): Mr. Speaker, on January 22, 1992 Dr. Roberta Bondar from Sault Ste. Marie became the first Canadian woman astronaut to travel into space. This flight culminates eight years of training and preparation by Dr. Bondar who is a medical doctor and a neurologist.

During the eight-day flight she carried out a series of difficult scientific experiments involving more than 200 ground based scientists from 16 countries including Canada.

Dr. Bondar said before she blasted off into space that soon she would be granted the privilege and honour of touching the earth with her eyes, her heart, her mind, and her soul. She carried out her task in space with admirable courage and ability.

It is not only the people of Sault Ste. Marie who are proud of Roberta Bondar. Every Canadian admires her tremendous efforts for Canada and the world. I am sure that every member of the House of Commons joins me today in congratulating her on her tremendous achievements for mankind by this mission.

Some hon. members: Hear, hear.

* * *

THE LATE GED BALDWIN

Mr. Albert Cooper (Peace River): Mr. Speaker, I rise today to express my condolences to the family members and friends of Ged Baldwin, a former member of Parliament for Peace River who passed away on December 16.

Ged Baldwin first came to this place in 1958. Over all he won eight consecutive elections. He was a good constituency man, easily and capably relating to the diverse challenges that a large and remote riding presents.

He was also a great parliamentarian and will be remembered as the father of Canada's Freedom of Information Act. His expertise in parliamentary procedure made him an invaluable member of Mr. Diefenbaker's government.

An author, a lawyer, a farmer, a decorated World War II veteran, a civil libertarian, a pursuer of world peace, Ged Baldwin did it all. He was awarded the Order of Canada and numerous other honours and tributes befitting a statesman.

I wish to express my personal condolences to Beulah, Gerald, Bruce, Greg, Pat, Barbara, and Gwennyth, the grandchildren and the great-grandchildren. I say to them that a member of Parliament can have no finer example to emulate than Ged Baldwin.

ORAL QUESTION PERIOD

• (1420)

[*English*]

THE ECONOMY

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to welcome you and all members of this House back to this session.

In the past six weeks we all went to our ridings and got a very clear message from Canadians. They want to make Canada work again.

Some hon. members: Hear, hear.

Mr. Chrétien: Last Friday my party proposed an emergency plan in a few points that are quite clear: a lower Canadian dollar, municipal infrastructure, training and retraining, more money for food banks, and a program to stimulate housing in two points.

Today the government has decided to implement one of them: to reduce from 10 per cent to 5 per cent the cash payment for a new house. I congratulate the government on accepting that.

Some hon. members: Hear, hear.

Mr. Chrétien: The second half of our proposition involves the use of RRSP funds. That will stimulate very much the housing industry. Is the government prepared to proceed immediately with this proposal as well?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I want to say to the hon. Leader of the Opposition that I agree with his observation that Canadians want Canada to work. They want the country to be united and they want economic activity.

I welcome the five-point proposal that the hon. leader on behalf of his party presented on Friday. Just to go through them, the first one was the 5 per cent minimum down payment for first-time home buyers. That was under active consideration. It was announced today by my colleague, the minister responsible for housing.

The second point was to permit the use of $7,500 from RRSPs for first-time home purchasers. I can tell the hon. Leader of the Opposition that that is under active consideration.

He talked about intensifying basic skills and training initiatives. I want to remind the hon. Leader of the Opposition that in 1991-92 we are spending $3.1 billion on training programs and $3.4 billion for 1993-94.

The other measure suggesting emergency federal funding for food banks and the larger one of the shared cost infrastructure improvements, those issues have been floated around for consideration. Those points were raised at the First Ministers' Conference.

The hon. leader may want to indicate how he would pay for this $3 billion initiative when Canadians pretty well made up their minds that they are not prepared to accept higher taxes or higher deficits.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, a very nice way to pay for that is to stimulate the economy in Canada. That will bring more revenue.

On Friday the Canadian Home Builders' Association said that if our program was to be implemented, the two parts of it, it would create 100,000 new jobs immediately and create 60,000 more new homes in Canada right now. I understand that to implement the second part of our proposal on housing with the use of RRSP money to pay the down payment on a house calls for a piece of legislation.

I would like to inform the Prime Minister and the Minister of Finance that if they want to introduce a piece of legislation now that will in fact complete the program on housing, we will make sure that this piece of legislation is passed in this House of Commons and in the Senate before the end of the week.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, that would be a change from the normal practice of the opposition and I welcome that very much.

Obviously the hon. Leader of the Opposition knows that there are some concerns about this particular aspect. We are trying to weigh some of the technical difficulties that might be addressed in a manner that would still provide for the usefulness of the RRSP proposal.

I might remind the hon. member, while I am on my feet, that housing starts in the fourth quarter are running at an average of 185,300 units per year. Housing affordability is at the best level it has been since the early 1980s. So there are many positive indicators.

The fact is that interest rates have come down enormously. Housing is an interest sensitive industry. I think the most important thing we can do for the housing industry is to keep interest rates down over the long term. That will provide stability and security for future home owners.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, when the opposition offers to co-operate with the government, the government wants to make it into a partisan debate. I want to tell the Minister of Finance

now that our plan can be implemented immediately. The home builders' association reported 152,000 housing starts in Canada last year and expects at most 156,000 this year. With the measure we are proposing today, there would be 210,000 housing starts in Canada this year. Why does the government not want to follow this plan, which would create 100,000 new jobs right away, in housing alone?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I did indicate to the hon. gentleman earlier that this was a matter that was under active consideration, and that it is.

Hon. Herb Gray (Windsor West): Mr. Speaker, I too have a question for the Minister of Finance.

Even with the government's announcement today of lower down payments for homes, there will still be hundreds of thousands of construction workers without jobs. The Minister of Finance himself admitted last week that they had little or no prospects of going back to work this year. Does the government not realize that they can go back to work if it takes more action now, together with the provinces, municipalities and private sector?

Therefore I ask the Minister of Finance: Why won't the government immediately adopt the plan outlined last Friday by the Leader of the Official Opposition to create a national community public works program, an infrastructure program, to create needed improvements in our roads, our bridges, our pollution control and transportation systems, and to get more Canadians back to work not next year, not some time in the vague future, but now?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I know this may come as a surprise to the hon. member, but construction output has increased for the eighth consecutive month in the last month. We recognize the recovery is sluggish primarily due to the slowing down of the world economies, and particularly that of the United States. Obviously the hon. member suggests that we drive up the deficit further or we tax Canadians more. It is one thing for the hon. member to suggest the expenditure of $3 billion; it is another thing to find out where we will find the money.

Is the hon. member suggesting that we should add $3 billion to the deficit? Or, is he asking that we should tax Canadians more? If so, where?

Hon. Herb Gray (Windsor West): Mr. Speaker, the Minister of Finance says the economy is sluggish. Why does he not level with Canadians and say it is not only sluggish, the recovery is slowing down because this government is doing nothing?

I ask the minister this: Why won't he adopt the Liberal community works plan which will get Canadians back to work, cut government spending on unemployment insurance and welfare, create wages for workers, profits for business, and generate revenue that will get the deficit down and help Canadians? Why won't this government adopt a practical plan that will create much needed hope and confidence for Canadians?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I thought this program was a Federation of Municipalities of Canada program. I am rather surprised that the Liberals have adopted it.

I repeat the answer to the hon. member: If he could provide me with some insight as to how he would pay for the $3 billion works program—

An hon. member: A billion.

Mr. Mazankowski: All right, a billion dollars. Is he proposing that we increase the deficit by $1 billion, $2 billion or $3 billion? Or, is he proposing that we increase taxes? If so, who does he want to tax?

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

Over the course of the last six weeks I have spoken with hundreds of Canadians, Canadians who have one message for this government, and that is that things have to change. There is a phenomenal lack of hope and sense of despair out there that is crippling this country. Right now this government's policy creates unemployment. I want to point out to the Prime Minister that unemployment is not a no cost option. Taxpayers are paying over $30 billion for the unemployed and those receiving social assistance.

• (1430)

I want to say to the Prime Minister that the best way to bring down the deficit is to bring down unemployment. Will the Prime Minister assure Canadians that there will be some hope in the February budget and that he will bring in a budget with job creation?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, we on this side of the House are very deeply concerned about the level of unemployment. Because of the industrial restructuring program that we are going through, the prospects are not as buoyant as we would like, but we are not alone in this. Other industrialized nations in the world are going through the same difficulties as we are. The recession and the restructuring are very much a part of the transition that economies around the world are going through.

I can assure the hon. member that we will be doing everything we possibly can within our limitations to provide a ray of hope and a signal of confidence to the Canadian economy. As I have gone through my pre-budget consultation process, I have heard many good ideas. I am still receiving them. If the hon. leader of the NDP has any constructive suggestions I can assure her that I will take them seriously.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary is directed to the Minister of Finance. There is one thing the workers of this country understand: unemployment. For instance, on Friday, 700 employees at the railroad workshops in Montreal were paying taxes and had jobs. Today, Monday, they have lost their jobs and will have to apply for unemployment insurance. What we have here is 700 workers or more who are jobless.

Is this the way to create the prosperity the government is always talking about? To have a healthy economy, this country needs a sound transportation infrastructure. Why hasn't the government invested in the transportation industry? Why hasn't the government invested in infrastructures? Why hasn't the Canadian government invested in Canada?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, we believe that the most important thing that governments can do is to create a climate of confidence and a climate wherein productive investment can in fact take place.

One of the issues, that of high interest rates, was certainly a mitigating factor against that kind of investment activity. We have been successful in bringing interest rates down. We have been successful in bringing inflation and inflationary pressures down.

What we have to do now is put in place the kind of economic environment that will encourage and foster investment because through investment we can create jobs. That is the government's main preoccupation and it will provide long-term, durable jobs.

I might remind the hon. member that Canada is still a good place to invest. Witness the investment of $170 million or $175 million that is coming into the province of Quebec that was announced yesterday by the Prime Minister of Quebec.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the minister is fond of saying that they do not have alternatives except to create more unemployment. We have to create some hope in this country and hope for young people.

I want to suggest to the minister that there are alternatives and Canadians are crying out for this government to listen. Withdraw the GST and bring in a fair tax system. That is one alternative. Abrogate the trade deal. That is another alternative. Lower the dollar. That is another alternative. Establish a Canadian investment fund where pension funds can be used to invest in Canada. That is another alternative. Bring in an infrastructure program for Canada. That is another alternative.

Will the Prime Minister, as the leader of this country, give Canadians hope, try some new ideas, listen to the alternatives that Canadians and this party are putting forward?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend asks if I will listen to new ideas. Indeed I will. She indicates that one element of her platform is to withdraw the GST. Perhaps she could tell us what she would replace it with.

An hon. member: Read your mail.

Mr. Mulroney: My hon. friend from the NDP says: "Read your mail". I will tell you what I will do. I will read my hon. friend a comment from the premier of British Columbia. When speaking in New York, Mr. Harcourt promised his government would eliminate its growing deficit before its first term expired and he stressed the need for government spending cuts and wage restraints. "We are determined to lower our deficit. You cannot spend your way out of a recession", Premier Harcourt said.

CANADA–U.S. FREE TRADE AGREEMENT

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, in the absence of the Minister for International Trade, I will direct my question to the Prime Minister.

The principal justification for the U.S.–Canada Free Trade Agreement was to secure access to the U.S. market, yet in a number of crucial sectors the United States government is impeding Canadian exports.

Both the chief Canadian negotiator and his deputy have now concluded that the United States, and I quote: "is getting dangerously close to systematic abuse of the letter and the spirit of the agreement".

What is the government doing to ensure that such protectionist abuse is eliminated?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member knows very well that thanks to the new free trade agreement context we have a dispute settlement mechanism under article 19.

Under article 19 when there is a dispute between the two countries, instead of the United States which is ten times the size of Canada always having the upper hand, we have one Canadian, one American and a neutral chairman. We have equality with the United States which allows us to resolve these disputes and gives us equality when we have a dispute with the United States.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the minister knows perfectly well that article 19, the dispute settlement mechanism, is not working. That is precisely what the deputy chief Canadian negotiator said this past weekend when he spoke of there being no question that the United States has bent the agreement and has broken it in places.

Mr. Axworthy (Winnipeg South Centre): We told you so.

Mr. MacLaren: What is the government doing about this? After all, Canada faces a tough trade dispute year with a protectionist minded U.S. Congress. Moreover, the Canadian government has pursued the very policies that are least likely to enable Canadians to benefit from the free trade agreement.

Mr. Axworthy (Winnipeg South Centre): We told you it would not work and it is not working.

Mr. MacLaren: Can the government state today how its proposed North American free trade agreement will prevent the abuses that it has been unable to prevent in the U.S.–Canada Free Trade Agreement?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I know the hon. gentleman poses these questions with a lack of enthusiasm because he has always felt that liberalized trade was the way for Canada to go. As he poses these questions about the FTA I think he knows the answers.

I will put to him the record. I have the details here. We have had four panel decisions rendered during 1991 and three involved review of U.S. agency determination. There was also a decision issued by an extraordinary challenge committee which confirmed our position on pork exports to the United States. The United States as a result of this ceased collecting duties on Canadian pork exports and duties totalling approximately $20 million were refunded to Canadian exporters. That is how the free trade agreement is working for this country.

* * *

BOOK PUBLISHING

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, first the Americans dictated our film policy. Now we learn that representatives of the American book industry met with Canadian government officials last March to have Canadian ownership restriction rules on book publishing and distribution changed, while at the same time this government was telling Canadian publishers that it was staunchly committed to Canadian ownership while it was busy negotiating it away with American conglomerates. Can you tell us why the double-speak?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, there has been no double-speak. The policy which I announced last week received acclaim from both the Canadian industry across the board and from affiliates operating in this country. The purpose of the policy is to ensure that we have Canadian ownership of book publishing in Canada and to ensure that Canadian book publishers are soundly financed.

I am delighted with the support my colleagues have given to supporting the Canadian book publishing industry in making this important contribution to the unity and the strength of Canadian culture.

• (1440)

Mr. Speaker: In recognizing the hon. member, I know that she will want to put her next question through the Chair to the minister.

Mrs. Sheila Finestone (Mount Royal): I am terribly sorry, Mr. Speaker. Through you to the minister, I just thought the minister would like to know that the Canadian culture policy was supposed to be off the table, not under the table. People are not exactly happy, as the minister would like to have us think.

Our television and radio industries were built through decisions of successive governments to limit foreign ownership of broadcasting in Canada in the sixties. Now in the nineties, will the government have the political will to apply the same measures and recover and ensure a book publishing policy for Canada in the Canadian interest?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, my hon friend says that people are not enthusiastic about it. All I know is what I read in the press and it is always accurate. The *Edmonton Journal* of January 29 states "Publishers give Beatty rave review"; the *Winnipeg Free Press*, January 29, "Publishers hail protection and money injection".

We have one goal and that is to strengthen the cultural fabric of Canada. The measures which we took in the course of the past week will do precisely that by creating conditions in which Canadians will be encouraged to take over the book publishing industry in this country. There will be support to ensure that Canadian authors can get published and that Canadians will find that there are Canadian books available to read.

I think when the hon. member publishes her first book, she will be grateful for that, even perhaps when she buys her first book, she will be grateful for it.

TRADE

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, in the absence of the Minister for International Trade I have a question for the Prime Minister.

All Canadians participated prior to the last election in an intense debate about the Canada–U.S. Free Trade Agreement. Currently there are negotiations between Canada, U.S. and Mexico and no intense debate.

I would like to ask the Prime Minister if he is prepared to present to this House a draft of the Mexican–Canada–U.S. agreement, if such a draft exists, so that this House has the privilege of debating what this government may be committing us to.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the government has made it clear to the House many times what our objectives are. Let me just repeat them: in the NAFTA negotiations, improved access to a very growing and important market, the Mexican market; improved access to the U.S. in areas such as government procurement and financial services; greater access to North American, including Mexican inputs, to permit Canadians to compete better in world markets and also strengthening ourselves as a preferred site for domestic and foreign investment; safeguard mechanisms to protect our industries under a new trading arrangement; finally, a fair, transparent and expeditious dispute settlement mechanism.

All of these are very worthy goals and we are very proud to pursue them.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I asked the minister if he was prepared to place in front of this House a draft of the Canada–U.S.–Mexico free trade agreement. Such a draft does exist and it is being kept secret from this House.

I would like to ask the minister to explain why in a phone call, Ms. Pat Norman, the press secretary to Carla Hills, acknowledged to my staff today that such a draft exists and has already been made available to Mexican senators to discuss in their caucus before it goes to the chamber. I have also spoken to the press secretary, Mr. Rosenzwaig, of the Canadian Embassy in Mexico. He confirms that a draft bracketed treaty has been made

available. The brackets are the areas where disagreements exist in the treaty negotiations.

I ask, Mr. Speaker, why this government is keeping that draft secret from Canadians while it is available to Mexicans.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, just so the Press Gallery does not think there is any news in that question, all of the bracketed items that he has suggested have been in fact the points of negotiation that we have been discussing for months.

Some hon. members: Oh, oh.

* * *

EMPLOYMENT

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is for the Minister of Employment and Immigration.

There are 1.5 million Canadians who are out of work and 2.3 million Canadians who are on welfare. While the country is on its knees, this government has taken a do nothing, cross your fingers approach. I would like to ask the minister of employment specifically: What programs does he have to put Canadians back to work?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, there is no magic solution to put people back to work. If there were the magic to do it, I guess we would pull it right away.

There is the hard, every day work of preparing the road for recovery through fiscal restraint, through sound monetary policies and through helping our workers improve their skills.

Our efforts are beginning to show. Inflation is dropping. The prime lending rate is at its lowest level since May 1973. Through my Department of Employment and Immigration we have provided some $3 billion in training and assistance for Canadian workers last year.

We intend to spend as much in the new year trying to put in place programs which are relevant to a work force that has to compete in a global competitive economy.

Mr. John Nunziata (York South—Weston): Mr. Speaker, a lot of consolation that answer is to the million and a half Canadians who are unemployed.

Surely the minister must be aware of how desperate the situation is. Surely he must be aware of the pain, the suffering and the anguish. Surely he must be aware that Canadians are losing their jobs and their homes. Their lives are being ruined.

I would like to ask the minister: What specifically is he proposing to put the country back to work? Is he the minister of employment or is he the minister of unemployment?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, it is incredible. It depends on the place you occupy in this House. I remember unemployment being at 11.8 per cent without a peep from the hon. member.

The issue is: Can we go out and make believe that we can buy our way out of the problem overnight? I know it is the recipe of the Liberal Party of Canada. The Liberals gave it to us in 1981–82, and I remember what happened then. Interest rates, 10 years ago this morning, were at 20.3 per cent and today they are at the lowest level since 1973. The recovery, that is the way it will occur. Those programs we have in place are intended to equip the work force with the tools and skills it needs to be competitive in a sustainable and growing economy.

* * *

DOMESTIC WORKERS' PROGRAM

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I would like to pose a question to the Minister of Employment and Immigration.

Last Friday the minister announced some major changes to the Domestic Workers' Program, which is an important part of the child care system in this country. He said: "These measures respond to concerns raised by various groups and individuals".

The fact is that this weekend across Canada thousands of domestic workers and their employers were on the streets saying that these measures were discriminatory, were regressive and were taken without any prior consultation.

In light of these very serious criticisms, will the minister repeal the measures he has announced so that he can undertake a proper meeting and consultation with domestic workers and that the program can be improved and not destroyed?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the hon. member in a previous incarnation, if I recall, brought changes to this program. Everything we did in the decision announced last week follows a court decision of the Federal Court of Canada and a period of review which involved extensive consultations with both employers and employees in question.

We have taken the decision to reconfirm the thrust of this program because there is a labour market need in Canada.

• (1450)

My prime concern under the program was to provide these persons with the protection they need. With the counselling measures that are being introduced in the new program, it will allow for a more secure environment for these workers.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, let the record show that I have in my hand letters from various organizations representing domestic workers and asking why the government has not consulted with them.

[*Translation*]

Mr. Speaker, I have a supplementary for the same minister. According to a study by Employment and Immigration, the government is concerned that most domestics come from the Third World. It doesn't matter where they come from: these women do an excellent job. Why is the government slamming the door on women from the Third World? Why doesn't it withdraw these unfair measures and consult with foreign domestics to improve the program?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the hon. member says this closes the door on part-time workers from the Third World, but I may remind the hon. member that these people who come to Canada as temporary workers may eventually become Canadian citizens. Considering how vital certain qualifications are in order to enter the labour market, it is in the best interests of the people concerned and of this country to have people with better qualifications and that was the purpose of asking these workers to have the equivalent of Grade 12.

[*English*]

GOODS AND SERVICES TAX

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I might say through you to the Minister of State for Small Businesses that if there is no news in what the member for Esquimalt—Juan de Fuca said, perhaps the minister could table the document he is referring to under tabling of documents in 15 minutes time.

My question is for the Prime Minister. Surely the Prime Minister must realize that the GST is bleeding the country to death. Retail outlets are shutting down all over the place, people are cross-border shopping *en masse*, and the Prime Minister says that there are no alternatives to the GST.

I ask the Prime Minister: Doesn't he realize that if he was not bought and paid for by the Business Council on National Issues there would be lots of alternatives to the GST?

Some hon. members: Hear, hear.

Some hon. members: Oh, oh.

Mr. Speaker: Perhaps the hon. member would put his question.

Mr. Blaikie: I ask the Prime Minister or the Minister of Finance, if they are looking for alternatives to the GST—

Mr. Speaker: Would the hon. member put his question.

Mr. Blaikie: Will the Minister of Finance consider as an alternative to the GST getting rid of the manufacturing tax credit, the dividend tax credit, the interest deductibility rule, the business and entertainment tax structure, and a variety of other loopholes and tax shelters that we have been suggesting for months as an alternative to the GST?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I cannot understand the New Democratic Party continually harping like an old broken record when it knows at least six royal commissions, all-party parliamentary studies and committees categorically concluded that the old manufacturers' sales tax had to be replaced. The question was whether to raise taxes, raise deficits, or replace it with a modern tax like the value-added tax used in 48 other countries.

Let me quote a constituent from the hon. member's province and riding. This is a small businessman who says: "I run a small company employing 12 people and sales of around $1 million per year. The GST has improved our ability to compete and export to the U.S. market. We spend a trivial amount of time administering the GST. In fact the only problem with the tax is that it does not apply to everything".

That is the feeling of many businesses across the country.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I want to congratulate the minister on finding the one small business person in Manitoba who supports the GST.

Some hon. members: Hear, hear.

My question is for the Prime Minister. Does he not realize that the country, in combination with the FTA and the GST, is bleeding to death? What is needed now is a tourniquet. Scrap the tax. Don't slash our throats by adding a North American free trade agreement on top of what is already devastating the country.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I will give the hon. member another example. I have a letter here from the Consumers Distributing corporation, which is a fairly large organization in Canada. After taking off the manufacturers' sales tax and adding the GST to its pricing, in its catalogue this year prices were reduced across the board by 2 per cent. If we add inflation to that, that is a reduction of 5 per cent. That is why some people support the GST.

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GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, my question through you is for the Minister of Agriculture.

As we all know, the GATT negotiations have entered a very crucial stage. Will the minister reconfirm to this House, as well as to the agriculture community in Canada, its balanced negotiating position? Do the Government of Canada and its negotiators continue to support a clarified and therefore strengthened article XI?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, the hon. member asks an important question. We are in delicate stages of negotiations within GATT. A text has been put out by the director general of GATT, Mr. Dunkel, which ignored the position put forward by Canada and five other countries.

We have said that we were both dismayed and disappointed. Along with the supply management groups and with the provinces which have supported the position that Canada is putting forward—after all, the provinces and the supply management groups helped Canada develop the position—we will continue to put that position forward.

* * *

COMMUNITY FUTURES PROGRAM

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker my question is for the Minister of Employment and Immigration. It refers to Community Futures.

Colchester county in Nova Scotia is completely surrounded by very successful Community Futures areas and finds it cannot compete without the futures infrastructure. Colchester applied for a futures program in November. I wonder if the minister could indicate whether Colchester will be successful in its bid.

Hon. Bernard Valcourt (Minister of Employment and Immigration): As the hon. member may know, Mr. Speaker, we have decided to announce the second round of funding for that program. Second generation support will be available through a process of reselection of communities which can demonstrate continuing need. Local EIC officials will have the details of the reselection process. When the review is complete I will advise the hon. member of the outcome of the Colchester application.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Minister of Environment. In the Oldman ruling, the Supreme Court unequivocally confirmed federal jurisdiction over the environment.

[*English*]

Given that decision, will the government be seeking an injunction to stop further filling of the Oldman reservoir until such time as the Federal Assessment Review Panel has completed its review?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, as the hon. member will know, the Oldman decision rendered by the Supreme Court of Canada reflects the position that the government had stated. In fact I had stated on behalf of the government in front of the Standing Committee on the Environment how constitutional and environmental issues should be dealt with.

On the specific decision on the Oldman dam case, we are now examining the consequences of that decision and will make a determination of how we think we should proceed. As soon as we do that I will be happy to inform the hon. member.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, I have a supplementary question for the same minister. The fact is that the dam is now filling up and there is no time. The minister has had over 10 days in which to make a decision.

The problem in Oldman is that the federal government's jurisdiction was ignored by the provinces. In the future how can the federal government hope to gain the co-operation of the provinces if it fails in this particular instance to insist and to enforce its authority now that it has been confirmed unequivocally by the Supreme Court of Canada?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I am more than happy to offer an example of co-operation to the hon. member for LaSalle-Émard. The day after the decision had been rendered on the Oldman dam, the Government of Canada signed an agreement with the Cree, the Inuit and the Government of Quebec on an environmental assessment for the Great Whale Project, something that the hon. member and all members on this side of the House had wanted to ask. In fact I think we had repeatedly stressed to the hon. member, on that specific issue, how important it was for us, as a government, to seek the co-operation of all parties when faced with these delicate problems or dossiers of environmental assessment.

• (1500)

We intend to continue on that path with the same success.

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THE BUDGET

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Minister of Finance.

The Minister of Finance has said repeatedly in recent weeks that Canada's economy continues to grow at a very slow rate, primarily because of a lack of consumer confidence. The Minister of Finance knows that consumer confidence is lacking because this government has refused repeatedly to change the economic game plan that has put Canada in the economic mess we are in today.

Given that Canada was given a new Minister of Finance in 1991, given that Canadians are waiting for some indication of change on the part of this government, can the Minister of Finance tell Canadians, at least today, whether or not his new budget, when it comes, will represent a departure from the existing economic policy of this government?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): I think the hon. member would agree, Mr. Speaker, that it is important to maintain consistent policies both from a domestic point of view and an international point of view.

One of those policies has been to bring down interest rates on an ongoing basis and to keep them down, as well as bringing down the pressures of inflation because in bringing them down you bring down prices and reduce the cost of living. That is important to all Canadians.

It is also important to get the fundamentals right so that we can have the kind of investment necessary to generate the kind of economic activity and to accelerate the restructuring and transition, the very painful transition that we are going through.

Canada is not alone in this. Canada is joined with many other countries which are experiencing the same thing. Collectively, as a member of the G-7, we are

working in concert to bring about, in a co-operative way, improvements to stimulate growth and strengthen the economy, not only in Canada but indeed around the world.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the Minister of Finance talks about accelerating the recovery but StatsCanada, as recently as Friday in its leading economic indicator, said that the recovery continues to "decelerate" in this country.

The government has made some small recognition that there is a problem in announcing the reduction in the down payment today on housing from 10 per cent to 5 per cent, but that is a small recognition. If you want to change consumer confidence, Canadians' confidence, the feeling of confidence in this economy there must be a change of economic plan.

I ask the Prime Minister: Prime Minister, we have a new Minister of Finance, is it not time to get rid of this used budget and bring in a new economic policy for jobs in Canada?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I can only assume, by the tone of the hon. member's question, that he wants the deficit to go up, inflation to go up and interest rates to go up, because he cannot have it both ways. We have to deal with the fundamentals.

He talks about negativism. I have here the February 1 *Financial Post*: "Financial markets point to recovery". February 3: "GDP hits upswing by summer". Quoting Ruth Genner, senior economist of the Toronto Dominion Bank: "I think we stand in a much better position than most of us realize. I think the worst is behind us and we are coming out of this recession." That is the kind of optimism, that is the kind of hope and that is what will inspire confidence.

Mr. Speaker: We must proceed with a question of privilege.

* * *

PRIVILEGE

CUSTOMS TARIFF

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I have forwarded a copy of my draft remarks to members opposite and to you, Mr. Speaker. They run some 12 or 13 pages. This is a question of privilege in relation to the failure of the Minister of Finance to lay

before Parliament an order made pursuant to section 59(2) of the Customs Tariff.

The facts on which my question of privilege is based are simple. On December 30, 1988 the Governor in Council passed an Order in Council enacting the order respecting the suspension of privileges granted under the free trade agreement pursuant to section 59(2) of the Customs Tariff. The order was registered as statutory order and regulation 89-54 and was published in the *Canada Gazette* on January 6, 1989. This order was made for the purpose of delaying the elimination of Canadian tariffs on certain plywood and related products in retaliation for a U.S. decision not to lower its own tariffs as required under the free trade agreement.

Subsection 59(5) of the Custom Tariff provides that—

Mr. Speaker: The hon. member for Scarborough—Rouge River is presenting to the Chair and to the House a question of privilege. I should advise the House that I have had considerable notice of it. It is a complicated matter and I know that all hon. members would want to give to the member the courtesy of listening carefully to the points he is making in order of course for an appropriate response to be given if that is necessary.

I would ask hon. members to give the hon. member the attention that all hon. members deserve.

Mr. Lee: Mr. Speaker, I know that our colleagues are delighted to be back and they have a lot of views to exchange among themselves here this afternoon.

In any event, this provision required that the order respecting the suspension of privileges granted under the free trade agreement be tabled in this House on April 21, 1989 at the latest. I repeat the date, April 21, 1989. In fact this order was laid before the House on December 12, 1991, some two years and eight months after the expiry of the tabling deadline fixed by Parliament in the Customs Tariff.

I submit to you, Mr. Speaker, that the failure to table this order for nearly three years after it was made amounts to contempt of this House. I want it to be clearly understood by the House, however, that while the principle of ministerial responsibility, in the words of section 59(5) of the Customs Tariff, requires that we hold the minister accountable for the failure to table the order at the time appointed by the statute, I fully recognize that the practical responsibility, if I can use that expression, lies with the minister's servants.

The failure of the minister's officials to advise him of his obligations is all the more inexcusable in this case in that the non-tabling of the order was drawn to the attention of an assistant deputy minister in the minister's department in a letter from the joint committee for the scrutiny of regulations dated May 8, 1989. Officials of the same department were reminded of this on two subsequent occasions prior to December 12, 1991.

I turn now to the claim that the minister's failure to obey section 59(5) of the Customs Tariff amounts to a contempt of this House. Mr. Speaker, as you said in an October 10, 1989 ruling:

> Broadly speaking, contempts are offences against the authority and dignity of the House of Commons. They include situations which cannot specifically be claimed as breaches of the privileges of this House.

Mr. Speaker, you then cited Erskine May's 20th edition in which it is said that contempt of the House includes "disobedience to its legitimate commands". You went on to mention that:

> In summary, all breaches of privilege are contempts of the House, but not all contempts are necessarily breaches of privilege. A contempt may be an act or an omission; it does not have to actually obstruct or impede the House or a member, it merely has to have the tendency to produce such results. Matters ranging from minor breaches of decorum to grave attacks against the authority of Parliament may be considered as contempts.

In this instance, Mr. Speaker, the facts establish that the Minister of Finance failed to comply with the tabling requirement set out in the Customs Tariff for a total of some 964 days. There remains to determine whether this omission had in your own words, Mr. Speaker, "the tendency to obstruct or impede the House" or its members in the exercise of their duties as legislators or the tendency to diminish the authority and dignity of the House of Commons.

• (1510)

Mr. Speaker, the purpose of laying requirements is well known. Parliament will require documents to be laid before it in instances where it determines that the formal transmission of a document is necessary for members of Parliament to properly discharge their responsibility of holding the executive accountable for its actions.

In the present instance it was the decision of Parliament that Orders in Council suspending trade privileges granted to the United States by Parliament should be brought to the immediate attention of both Houses.

It is through the tabling of these orders that members of each House gain knowledge of them and can, if they think it necessary, question the government in relation to suspension of trade privileges.

We cannot fulfil this role unless we are informed of those decisions. In this case, the failure to table the text of the order of April 21, 1989 means that the House was not officially informed of an important government decision until nearly three years after it was made.

I note that pursuant to Standing Order 32(5), the order, when it was tabled on December 12, was referred to the Standing Committee on External Affairs and International Trade. This committee and its members were effectively deprived of their right to review the order as contemplated in our Standing Orders for almost three years as a result of the minister's failure to meet his legal obligation under the Custom Tariff. This is a serious matter in terms of effective and proper operation of the committee system of the House of Commons. So long as Standing Order 32 is in place, any failure to table a document amounts to a denial of the appropriate standing committee's jurisdiction to study and review that document and to report to the House if it thinks fit.

There is another element to this and it is the lack of respect for Parliament that is reflected in such carelessness and persistent disregard for the law made by Parliament. In this regard I remind the House that senior officials of the department for which the minister is responsible had been informed of the omission in May 1989.

Subsection 59(5) of the Customs Tariff is a statutory provision and statutes are the highest form of command that can be given by this House. In my view, the disregard of that legislative command, even if unintentional, is an affront to the authority and dignity of Parliament as a whole and of this House in particular.

The eventual tabling of the order on December 12, 1991 does not cure the situation I have described. The basis of my complaint is not that the order had not been tabled, it is that it was not tabled in a timely fashion as required by law.

I am aware that it has often been said that it is not the role of the Speaker to interpret or to enforce the law. In this regard, Mr. Speaker, I want to emphasize that I am not asking you to interpret the Customs Tariff. There is no need for any interpretation here. The law is clear and the only matter you are called upon to decide is whether the facts confirm that the order respecting the suspension of privileges granted under the free trade agreement was not laid before Parliament by April 21, 1989 as required by law. This is a question of fact rather than a question of law.

I also emphasize that the duty imposed by subsection 59(5) of the Customs Tariff is a duty that is owed to this House in its collective capacity. Any legal duty gives rise to a corresponding right. In this case it is the right of this House to have a copy of the order tabled in the House for the information of members and for review by one of its committees.

The courts of this country are not the proper forum before which the Commons can enforce this right. In the first place, the House of Commons does not have the legal capacity to initiate court proceedings.

Second, even if this was not the case, I submit that it would not be in keeping with the position of the House of Commons and our system of government for the House to appear as a plaintiff before the courts of justice over which it enjoys pre-eminence in any event.

A right which cannot be enforced is no right at all. For the reasons I have mentioned, it is not possible for the House of Commons to ask the courts to enforce its right to have the order tabled, nor would this course of action be in keeping with the constitutional position of this House. I submit the remedy lies with the House itself. The Minister of Finance was under a legal obligation to furnish this House with a copy of the order made by the Governor in Council within the time prescribed by statute.

I submit that the House has the ability to sanction the non-observance of a legal obligation established for the collective benefit of its members. I believe that the appropriate sanction for any failure to obey a tabling requirement is found in the contempt powers of the House.

In deciding whether there is a prima facie justification for an eventual decision of the House on this question, the Chair is not asked to enforce the law. The Chair is asked to decide whether the failure to obey the law has consequences in terms of the collective privileges of the House and in terms of the members' ability to discharge their duties as legislators. In short, does the omission to table a document, legally required to be tabled, impede or obstruct the House and its members in the discharge of their functions or does it have the tendency to do so. As stated in the 20th edition of Erskine May, contempt of the House includes any case of disobedience, whether or not intentional, to a legitimate command of Parliament.

It is difficult to conceive of any command of this House that can have more legitimacy than one contained in a law passed by this House. I am confident that the minister's disobedience to that command was not intentional. This, however, does not change the situation.

Nowhere can I find authority for the proposition that this House can only deal with intentional contempt. In fact, in the recent incident involving the member for Port Moody—Coquitlam, the Chair found that a prima facie case of contempt existed even though the hon. member had expressly stated to the House that he did not intend to show contempt for the House or for the Speaker. I submit that intention is not a consideration at this stage and that the House should be permitted to deal with any facts that amount to contempt regardless of whether there was an intention to show contempt for the House. The question of intent is for the House itself to consider at a later stage.

In closing, allow me to reiterate that if this matter cannot be raised on the floor of this House in the way I have, then it can be raised nowhere else. There is no other forum outside of this House which is competent to pronounce or to enforce a legal duty that is owed to the House of Commons in its collective capacity. Subsection 59(5) of the Customs Tariff creates such a duty and the House has the right and responsibility to sanction the non-observance of that duty.

Mr. Speaker, if you do rule that there is a prima facie case in this instance, I am prepared to move the appropriate motion. I have forwarded to the member opposite two drafts of such a motion. We have not had an opportunity at this stage to discuss the appropriateness of either.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I must admit that two sentences in the speech by the hon. member for Scarborough—Rouge River stuck in my mind. The first one was:

[*English*]

In this case, the failure to table the text of the order by April 21, 1989 means that the House was not officially—

[*Translation*]

I emphasize the word officially, Mr. Speaker—

[*English*]

—informed of an important government decision until nearly three years after it was made.

[*Translation*]

That was one of the sentences I found rather interesting. The other one was:

• (1520)

[*English*]

I am confident that the minister's disobedience to that command was not intentional.

[*Translation*]

Mr. Speaker, I think that what the hon. member described was a rather unfortunate situation. I believe he agrees, and I am sure you will agree, it was not the intention of the government or the Minister of Finance to avoid tabling an order within the prescribed timeframe. I think everyone here understands that.

Unfortunately, when all the free trade documents were tabled, this particular order was not tabled with the rest of the FTA legislation which, as you know, was impressive because of its sheer volume.

What the hon. member did not point out, and what he should have mentioned in this connection, is that the order was published in the *Canada Gazette*—after consideration and approval by the special committee—on January 18, 1989. This means that as of January 18, 1989, the order was in the public domain. It was also available to members of this House, since to my knowledge, the *Canada Gazette*, a bilingual publication, is delivered to each member's office.

We should also recall that the free trade agreement, as tabled, contained a reference to the timeframe for eliminating the tariff on plywood and related products. This reference was contained in the documents tabled in this House.

Mr. Speaker, I think that any self-respecting Canadian citizen or member of this House who had a problem with the subject we are looking at today was in a position to know what was happening—on the basis of the facts available—whether we are talking about the free trade documents or the *Canada Gazette*. And as a result, there was no breach of privileges, either of the members here or of the general public, and I think that in the circumstances, the hon. member's conclusions are a bit exaggerated.

Mr. Speaker, on November 21, 1991, officials appearing before the Standing Joint Committee on Scrutiny of Regulations promised the order would be tabled before the holidays, and that is what happened. On August 12, 1991, and October 21, 1991, the minister had promised the order would be tabled. He also indicated he had set up a procedure to prevent any recurrence.

I think the minister and the government acted in good faith. For the Chair to respond favourably to the hon. member's comments, I believe there would have to be evidence of bad faith or perhaps of someone having suffered a loss of some kind. The hon. member, however, argued that no one's interests had been harmed, and he also said he believed the minister had acted in good faith.

Mr. Speaker, I think we should consider the incident closed and revert to the normal business of the House.

[*English*]

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I wish to emphasize the point that my friend from Scarborough made with respect to this matter.

The point is that the contempt occurred as a result of the wording of the statute and the wording is very clear. I simply re-emphasize it to you: "The Minister of Finance shall cause a copy of any order pursuant to subsection 59(2) be laid before Parliament".

The parliamentary secretary has pointed out that there was plenty of warning given with copies, et cetera. That is not the point. The point is, and the statute is clear, that the minister shall table this before the House within the 15-day period as set out. In this particular case, even after a letter in May 1989 setting out the provisions and the fact that it had not been conformed with, it was not tabled until late last year.

As the member has pointed out, it was almost three years after the original legislation. What has to be totally understood by the public watching and by the parliamentary secretary is that Orders in Council and regulations are laws that affect all of us, that do not come for debate before the House of Parliament, and the provisions are set out for a reason.

In this particular case, as has been pointed out by my friend in the Liberal Party, the minister has turned his back on the matter unintentionally, through oversight or by lack of proper documentation or advice by his ministerial advisers. The point, I believe and I simply want to emphasize this before closing, is that this is mandatory. It is obligatory for the minister to do this within that specified period of time and intentionally or unintentionally he has breached his duty to the House, I would submit. That in itself is contempt of the House.

As the member has pointed out, this is the only forum in which that can properly be dealt with.

Mr. Speaker: I have listened very carefully to the hon. member for Scarborough—Rouge River—

[*Translation*]

—and the hon. parliamentary secretary. I especially thank the hon. member for his statement in which he clearly said that it was not the minister's intention, but I think that some consideration is necessary before I render a decision.

[*English*]

I thank also the hon. member for Okanagan—Similkameen—Merritt and I have listened carefully to his comments. I also thank the House for co-operating with the Chair and hon. members while this important and complex argument was put to the House. I shall try to respond as quickly as possible.

I do take into account the fact that there seems to be general agreement. There was not an intention on the part of the minister. I also must say that the law seems very clear, and I shall have to deal with it as I see it. I thank hon. members.

* * *

[*Translation*]

TRIBUTES

THE LATE JEAN-PAUL MATTE AND GERALD WILLIAM BALDWIN

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to take just a few minutes in this House to pay tribute to two of our former colleagues who passed away over the holidays and whom I knew in a special way. In a sense, they were very similar because they were real gentlemen and were respected on both sides of the House. I refer to the former member for Champlain, Jean-Paul Matte, and the former member for Peace River, Ged Baldwin.

Jean-Paul Matte was a very good friend of mine. He was elected in 1962 and remained a member until 1968. Later, after he lost his election, he had the opportunity to work in my office. He was very unpretentious, a businessman who was quite involved in his community in Champlain and particularly in the town of St. Tite. He was really close to the people and extremely dedicated.

• (1530)

I would call him the salt of the House of Commons, the kind of member who did not seek publicity but was always watchful and attentive to solve his constituents' problems. He had quite a good sense of humour, outside this House, yet while here, he was very modest and pleasant. When he was sent on delegations abroad, members very often came back saying that Jean-Paul was the most popular member of the delegation. His pleasant manners, down-to-earth language, sense of humour and extreme kindness made him a first-class diplomat, although he was in fact, with great honour, an ordinary businessman from rural Quebec.

His death will be a great loss to me personally, to my wife and to my children. When I went down to the riding of St. Maurice, we very often shared the same car and we

spent many hours together. Not only I but also my wife and children and especially the people of Champlain appreciated his kindness, sense of humour, generosity and graciousness. On behalf of my party, since he was a Liberal, and my family, and in my own name as well, I would therefore like to extend to his family and those who were close to him our most sincere sympathies. We must all keep in mind that he was a real gentleman.

[*English*]

I would like to say the same about Ged Baldwin. When I arrived in this House, there was this gentleman who had been in the House for many, many years. He came from a part of Canada for which I have a special attachment, northern Alberta. Many of his constituents were francophones from Farrow and from other places which I have had the pleasure of visiting.

Ged Baldwin was everyone's friend. He was a great person in the House of Commons. He knew the rules very well. He would use them effectively. He was a competitor with Stanley Knowles regarding rules. He and Allan MacEachen would play games among themselves and exchange their knowledge which was somewhat too thoughtful or too specialized for the ordinary member to understand.

He could be tough too. When he had a good case, Ged Baldwin would get up and he would cut pieces out of ministers once in a while. I must have been the victim of some of his attacks. These were always done with class. He was a reflective man. For me what is so good about this House of Commons is that people come from all over the country with different personalities, different backgrounds, and yet we all serve the same cause. Through the years, you realize that sometimes the people you are most comfortable with are on the other side of the aisle because they are not really competing with you. Ged Baldwin was probably consulted throughout all his career by a lot of Liberals, asking: "Why am I having problems?" Because he was a gentleman, you were sure he would tell you honestly what he thought.

He was a great member of Parliament and the people of Peace River had many reasons to be proud of him. His family must be very proud of this great gentleman, Ged Baldwin, who served his country so well.

[*Translation*]

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, today I wish to join the Liberal leader in his eloquent tribute to Jean-Paul Matte, the former member for Champlain, who was elected three times as the member for the electoral district of Champlain: in 1962, 1963, and 1965.

Mr. Matte died on January 6 at the age of 77. He spent his last years in Saint-Maurice, in the riding of Champlain, but spent most of his life in Saint-Tite, in *Filles de Caleb* country. He was the first member of Parliament from Saint-Tite, where my family comes from. I think it was Mr. Matte who first gave me a taste for public life. I remember when he was elected in 1962. I was only nine years old, and my father was one of his best friends. Mr. Matte often came to our house, where we listened to him talking politics. I must say I was very impressed.

Interestingly, he was beaten by the Créditistes in 1968, as a result of some tricky political manoeuvring. They found a candidate whose name was the same as his, which caused considerable confusion at the time. However, he continued to enjoy the respect of the voters who had elected him since 1962. In fact, a major electoral reform which amputated part of his riding and gave him part of the electoral district of Portneuf was the main reason why he was defeated.

Mr. Matte was not known as a partisan politician. He rarely made fiery speeches. In fact, he always had this ability, which has become increasingly rare nowadays, to avoid political partisanship, and he always subordinated his own interests to the interests of Saint-Tite, the riding of Champlain, Quebec and Canada.

I spoke to him several times during the past few years, and I must say I found his advice very useful on many occasions. To the very last, Mr. Matte was a faithful Quebecer and a faithful Canadian, and I think members on the government side will wish to join me in paying him this special tribute today.

[*English*]

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I want to join with my colleagues today in recognition of the contribution that Mr. Matte made to this House of Commons, to the people of Canada and to the people of his riding for a number of years.

I was not here when Mr. Matte served his constituency and his country, but we know him by reputation as an individual who struggled on behalf of his constituents for a number of years and would have continued had it not been for a serious redistribution of his constituency.

On behalf of my colleagues in the New Democratic Party we want to say that our hearts, thoughts and prayers are with his family today.

I also want to join with my colleagues in recognizing the passing of Mr. Ged Baldwin who served for 20–some years that great district of Peace River in northwestern Alberta. He was a fine and distinguished gentleman.

As a House leader he distinguished himself in terms of the understanding and use of the rules in appropriate and yet creative ways to advance the cause of his colleagues and his party.

His reputation as a parliamentarian is demonstrated by the fact that he was elected time and time again with excellent majorities.

If we could all have a model in terms of parliamentary behaviour and how to conduct ourselves on behalf of our constituents and our country, it would be to follow in the footsteps of a gentleman like Ged Baldwin.

Again our hearts, our thoughts and our prayers go out to his wife and his family today.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I do not think it is necessary for me to say too much about Ged Baldwin, having earlier today paid tribute to him.

I simply want to say that he was a fine man, a real gentleman and in many ways respected the best and represented the best of this institution, having made a positive contribution to it for many years.

It was my privilege to follow him. He is an example I often look to in terms of behaviour and attitude. He is a man who paved a lot of roads for me within my own constituency.

Personally, I am very thankful to him for all that he has done for my riding and for the country and for our party and also for this House.

At the same time I want to thank the Leader of the Opposition for his kind words. I know that Ged's family will appreciate that, and also the kind words of the New Democratic House leader. Ged's family will appreciate that as well.

• (1540)

[*Translation*]

POINT OF ORDER

MEMBER FOR RICHELIEU—PARLIAMENTARY LANGUAGE—SPEAKER'S RULING

Mr. Speaker: Last October, the hon. member for Richelieu raised a point of order following an exchange between between the Prime Minister and the hon. member for Shefford. He asked the Chair whether the words "hypocrite" and "stupid" could be considered parliamentary. I answered him that in general, the word "hypocrite" is not parliamentary, but the context in which it was said must be considered. Nevertheless, I promised to look into the matter and make a ruling on it.

I very carefully examined *Hansard* for October 9, 1991 and I am now ready to render my decision. I concluded that the Prime Minister's words, at the time they were spoken, did not lead to disorder in the House. I therefore refer the hon. member to my decision of February 10, 1986 and I consider this matter closed.

[*English*]

Having said that I also remind hon. members that words that in one context may survive the patience of hon. members may in another context not survive it. I would ask all hon. members to exercise restraint and consideration for each other when either putting questions or responding or entering into debate.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING OF APPOINTMENTS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table in both official languages a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to section 36(8) of the Standing Orders, I have the honour to table in both official languages the government responses to 148 petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, to my hon. friend, the parliamentary secretary to the government House leader. Earlier today in Question Period the Minister of State for Small Business and Tourism referred to documentation regarding the Canada–U.S.–Mexico free trade deal. Is there any intention to table these documents in the House so that we may all have a look at them?

Mr. Cooper: Mr. Speaker, I am sorry I missed that particular exchange and I will have to review the "blues" and the words of the minister. We would be once again more than happy to co-operate in any way that we can.

* * *

PETITIONS

HOUSING

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I have the honour, pursuant to the Standing Order on petitions, to present well over 760 names calling upon the House and Parliament to look again at the government proposals to transfer jurisdictional responsibility to the provinces. This relates to housing. The petitioners are asking this House to recognize that housing is a shared provincial–federal responsibility. They hope that the federal government will continue to support the non-profit co-operative housing program and to maintain the Canada Mortgage and Housing Corporation.

ILLEGAL DRUGS

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to rise in my place to present to the House of Commons a petition signed by my constituents in York West. It deals specifically with the proliferation of drug abuse in the city of metropolitan Toronto, which is ruining the lives of many youths and Canadian families. It requests that the Government of Canada amend the Narcotics Control Act so that when there are great seizures of drugs and money, the money is channelled not only into general revenues at the national level, but is shared with the local police forces and organizations in the community that are in the front line against the battle on drugs. We would consider that an investment in the battle to try to win our communities and our youth from the proliferation of drugs.

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am pleased to have the opportunity to present four different petitions. One is a big thick one with lots of names on it of people who are still concerned and have renewed concern about the goods and services tax and what it is doing. They articulate a whole number of concerns that they have and are simply asking the government at this time to eliminate the tax. I think it is a very appropriate petition.

ECONOMIC STABILITY IN CROATIA

Mr. Nelson A. Riis (Kamloops): On another matter, these petitioners from the Kamloops constituency are concerned about the situation in Croatia. They are asking the Canadian government to simply do whatever is possible to bring peace, security and economic development to that part of the world.

FRESH WATER EXPORTS

Mr. Nelson A. Riis (Kamloops): These petitioners are from British Columbia and refer to a plan to partly divert one of the major British Columbia rivers into the United States and northern Mexico. They are asking that the government simply announce that this will not be permitted, period.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): Lastly, in light of the last petition given by another hon. member regarding increased drug concerns, the petitioners are asking for proper financial support to enable the RCMP to carry out its mandate in enforcing law and order in the country.

DOMESTIC WORKERS

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, pursuant to Standing Order 36 I am honoured to present petitions from over 100 constituents. They would like to

draw to the attention of the House the fact that more than 60,000 foreign domestic workers have come to Canada since 1981 to answer the needs of many Canadians for domestic workers not otherwise available here. Nearly all of these workers are women and most are visible minorities. More than 80 per cent of these workers have been accepted as landed immigrants, indicating their continued value and adaptability to Canada.

They believe this new directive of the minister of immigration is insensitive to the needs of Canadian employers, callously disregards the needs of the women of the world, and contradicts a fundamental principle of Canada's longstanding non-discriminatory immigration policy.

They therefore pray and call upon Parliament to rescind the new directive, acknowledge the contribution of past, present and future foreign domestic workers to Canada's social and economic well-being, restore our Canadian values of tolerance and humanitarianism, and preserve Canada's international esteem.

If I may add, Mr. Speaker, I join them in their petition and I ask the minister to rescind the new directive in the name of equality and human dignity.

GASOLINE PRICES

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I have the honour to introduce in the House today a petition signed by residents of Ottawa, Nepean, Gloucester, Vanier, Kanata, Manotick, and elsewhere in the Ottawa—Carleton region. These constituents are outraged at the price of gasoline in the Ottawa—Carleton region when compared to prices elsewhere in the province of Ontario.

These constituents are calling on the government to take action in order to correct this injustice through an amendment to the Competition Act.

• (1550)

DOMESTIC WORKERS

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have a petition signed by residents of Canada, many of whom are domestic workers.

These petitioners call on the Parliament of Canada to urge the minister of immigration to give foreign domestic workers the option not to live in the homes of their employers outside of working hours since that often leads to sexual harassment and continued exploitation in the workplace.

They ask that work experience take precedence over any formal training, that domestic work be recognized as an occupation needed in Canada, and that the necessary points be awarded toward permanent resident status.

UNEMPLOYMENT INSURANCE ACT

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have the honour today to present a petition on behalf of over 200 signatories who are adoptive parents.

This order is pursuant to Standing Order 36, and these adoptive parents, all from the area of Thunder Bay, are asking the government to reconsider its position with respect to the legislation as it affects adoptive parents throughout Canada, and to stop the discrimination between those who are biological parents and those who are adoptive parents. They are one and the same.

TELECOMMUNICATIONS

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is a pleasure to rise today pursuant to Standing Order 36 and present a number of petitions with respect to the CRTC hearings and the Unitel bid.

The petitioners in this particular case are concerned that any widening of competition within the area of telecommunications will unduly affect the affordability of service, particularly to those people in rural areas.

They urge the Minister of Communications to consult with all effective parties, specifically those citizens living outside Canada's urban areas, who will be impacted severely by deregulation. They further urge the minister to hold local hearings in the communities before deciding the fate of Canada's telecommunications system.

SOFTWOOD LUMBER INDUSTRY

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): The other petition, Mr. Speaker, is with respect to the softwood lumber issue and the forests in the province of British Columbia.

The petition is signed by a number of people within my riding from places such as Westbridge, Greenwood, Princeton, Grand Forks and others. They are concerned

that the management of their forests remains in Canadian hands.

The petitioners ask that Parliament terminate the memorandum of understanding on softwood lumber tariffs and return the decision making process back into the hands of Canadians where it belongs.

[*Translation*]

HIGH COST OF GASOLINE IN OTTAWA AREA

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the honour to present a petition signed by many citizens of the Ottawa area.

[*English*]

As the hon. member for Ottawa Centre has so ably stated, these constituents are concerned with the high cost of gasoline in the Ottawa area. They call upon Parliament to correct this injustice to Ottawa area motorists. I may say, Mr. Speaker, that the same complaint is a frequent one in my own area of Kingston and the Islands.

I am pleased to be able to table this petition on behalf of the Ottawa area residents.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the following questions will be answered today: Nos. 121, 122, 142, 155, 156, 160, 162, 163, 165, 168, 169, 171, 172, 174, 179, 183, 185, 189, 191, 197 and 200.

[*Text*]

Question No 121—**Mr. Dionne:**

Which leases for rented office space over 500 square meters in area, signed by the government between January 1985 and December 1987, were renewed before the previous lease had expired and, in each case, what are (a) the name of the owner(s) (b) the address of the rented building or office space (c) the area covered by the previous lease (d) the period covered by the previous lease (e) the rent paid under the previous lease?

Hon. Elmer MacKay (Minister of Public Works): For the period from January 1, 1985, to December 31, 1987, Public Works Canada, on behalf of the Government, in the provinces of New Brunswick, Quebec, and Ontario, entered into two registered leases with the private sector which involved early termination of the previous lease.

The appended report provides the detailed information on the previous and current leases.

FOR YEARS
1985, 1986, 1987

PWC REGION: **NATIONAL CAPITAL**

LIST OF REGISTERED LEASES OF 500 M^2 RENTABLE AND OVER

PERIOD:
85/01/01 – 87/12/31

PROVINCE:
QUEBEC

Name of owner	Building Address	Rentable m^2	Period of lease / date	Annual rent
PREVIOUS LEASE				
Bourque, Pierre & Fils Ltée	Louis St. Laurent 555 Blvd. de la Carrière Hull, Quebec	1,624.00	86–12–01 — 95–05–31 8 1/2 years	$ 129,920.00
Bourque, Pierre & Fils Ltée	Louis St. Laurent 555 Blvd. de la Carrière Hull, Quebec	38,205.40	85–06–01 — 95–05–31 10 years	$ 9,294,748.00

NEW LEASE				
Bourque, Pierre & Fils Ltée	Louis St. Laurent 555 Blvd. de la Carrière Hull, Quebec	40,796.53	91-08-01 — 16-07-31 25 years	$ 8,356,577.49 (Net)
PREVIOUS LEASE				
Les Entreprises Duroc Inc.	Place Vincent Massey 352 Blvd. St-Joseph Hull, Quebec	28,504.53	73-07-01 — 88-06-30 15 years + 1 x 5 years	$ 1,093,493.00
NEW LEASE				
Les Entreprises Duroc Inc.	Place Vincent Massey 352 Blvd. St-Joseph Hull, Quebec	28,506.00	86-08-01 — 11-07-31 25 years	$ 3,145,069.00

Question No. 122—**Mr. Harvard:**

During the recent postal strike, was there an extra cost associated with providing the extra remittance forms for corporation returns and employee deduction remittance forms, and, if so, what was it?

Hon. Otto Jelinek (Minister of National Revenue): During the recent postal strike, Revenue Canada, Taxation provided 950,000 extra source deductions remittance forms to employers and, in addition, provided 150,000 extra instalment forms to corporations to ensure timely payments of source deductions and corporate taxes through financial institutions.

Costs incurred:

—Printing $65,839.58

—Postage (Third class) $220,782.30

—Total cost $286,621.88

Question No. 142—**Mr. Caccia:**

Was the proposal to entrench property rights in the Constitution (*a*) subjected to an assessment for its environmental impact, and (*b*) will a public statement be released as required by the environmental assessment reform policy announced by the Minister of the Environment in June 1990?

Right Hon. Joe Clark (President of the Privy Council and Minister Responsible for Constitutional Affairs): The proposed protection of an individual's property rights is raised in the document *Shaping Canada's Future Together*, tabled in the House of Commons on September 24, 1991. This document was referred to a Special Joint Committee of the Senate and the House of Commons with a mandate to seek the viewpoints of Canadians on these matters, and to make recommendations to Parliament. The process of committee review will give an opportunity for Canadians to bring forward their concerns from a broad range of perspectives in this national dialogue. The committee's review of these matters will assist Parliament in its consideration of constitutional proposals, and contributes to the over all process for constitutional reform which involves the legislative assemblies of provinces as well as Parliament. Therefore, it is premature to consider the question of an assessment of environmental impact.

Question No. 155—**Mr. Caccia:**

What policies, initiatives or programs, with respective person-year and dollar allocations, have been launched in response to the recommendations from the Federal Water Policy: A Progress Report in (a) Part I, recommendations 1.1.2, 1.1.4, 2.1.2, 2.1.5, 2.1.6, 3.1.1, 3.1.3, 3.1.4, 4.1.1, 4.1.3, 4.1.5, 5.1.2; (b) Part II, recommendations 2.1, 2.2, 3.3, 4.1, 4.5, 5.1, 5.3, 5.6, 6.1, 6.2, 7.1, 8.2, 9.2, 10.2, 11.1, 11.3, 12.2, 14.5, 14.6, 14.7, 18.1, 18.2, 18.3, 22.4?

Hon. Jean J. Charest (Minister of the Environment): This information will form part of the second biannual Federal Water Policy progress report, which will be

released by the Minister of the Environment in March 1992.

Question No. 156—**Mr. Caccia:**

With regards to nuclear electricity generating facilities in Canada, has the government prepared any studies estimating (a) the total cost of decommissioning each of the CANDU nuclear generating plants operating in Canada today (b) the total cost of safely and permanently storing all the spent fuel rods and other radioactive waste and, if so, what are the figures for each of the studies?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Allowances to cover the projected cost for both decommissioning the Canadian nuclear power plants and disposal of the spent fuel are being collected by the provincial utilities through the rates being charged to the customers today. The funds are being accumulated to be available when the expenditures are incurred in the future.

(a) Decommissioning the twenty-two nuclear power generating units that are either operating or under construction in Canada, including the safe and permanent storage of all radioactive wastes other than the spent fuel rods, is estimated to cost approximately $3.7 billion if the work were to be done today. In fact, the work and expenditure would not begin until the first unit is taken out of service, assumed to be in 2012, and would be spread over many years until the last unit is returned to green pasture in 2072. This decommissioning cost would represent a small fraction of the projected capital of $34 billion (in 1990 dollars) to replace the 15,700 Mwe of generating capability of these stations, particularly when the effects of discounting are taken into account. Current international estimates for nuclear plant decommissioning fall generally between 10 per cent and 20 per cent of replacement cost.

(b) The reference to "safely and permanently storing all of the spent fuel rods" is interpreted to mean the disposal of nuclear fuel wastes. Atomic Energy of Canada Limited has developed a concept for geological disposal of such wastes. A federal environmental assessment and review of the concept, along with a range of related issues, is currently under way, and an independent panel has been appointed to carry out this public review.

Disposal of spent fuel does present a great uncertainty in terms of nuclear power costs. However, as the panel that conducted the Ontario Nuclear Cost Inquiry noted in its report of January 1989: "The time frame extends well beyond the middle of the century—-and means that, although the expenditures will be very large ($9 billion in 1988) when they are incurred, because of the discounting, they comprise a small portion of the levelized unit energy cost. The funds are being accumulated over the life-time of generating stations and invested over many years so that the charges for this item make up a small portion of the total cost of generating the nuclear-based electricity.

Question No. 160—**Mr. Harvard:**

What happened to the $7 million which was allocated for the construction of a Transport Canada hangar at the Winnipeg Airport and which was noted in the Supplementary Estimates B of the fiscal year 1990-91 and in Part III of 1991-92 Main Estimates for Transport Canada?

Hon. Jean Corbeil (Minister of Transport): Although a design has been completed for the construction of a new hangar at Winnipeg, and this item is still included in the Transport Canada capital spending program for the 1991-92 fiscal year, funds have not been allocated for this construction project. The project has been delayed to enable other cost effective options to be evaluated, including the possibilities for sharing facilities with other departments.

Question No. 162—**Mr. Stupich:**

Was a regional conference held in Whistler, B.C., on June 10, 1991 for economists, sponsored by CEIC in the B.C./Yukon territory region and, if so (*a*) what was the cost (*b*) how often are these conferences held?

Hon. Bernard Valcourt (Minister of Employment and Immigration): A conference of Managers of Regional Economic Services from across Canada was held in the British Columbia/Yukon region in June 1991.

(a) Costs of the conference were:

Air travel $11,680

Hotel accommodation 5,517

Meals & incidentals 3,294

Other transportation 1,969

Total $ 22,460

(b) These conferences are held twice a year.

Question No. 163—**Mr. Stupich:**

With respect to the CEIC in the B.C./Yukon territory region, has an internal communications survey been contracted out to Tower, Perrin and Co., and, if so, (a) what was the cost of this contract (b) how long have these surveys been contracted out (c) is there a cost comparison available for surveys done internally as opposed to externally?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Yes. Employment and Immigration Canada contracted with Tower, Perrin and Co. some portions of an internal communication survey.

(a) The contract cost $35,000.

(b) In all, there were two surveys conducted. The first survey was conducted in 1988, the second in 1990.

(c) Most, if not all of our surveys are contracted out. In addition, due to the varying scope and parameters of different surveys, cost comparisons cannot be made.

Question No. 165—**Mr. Gardiner:**

How many American citizens have entered Canada to work as professionals under terms of the Canada–U.S. Free Trade Agreement?

Hon. Bernard Valcourt (Minister of Employment and Immigration): The following is a breakdown of the number of United States citizens who entered Canada under the Professionals category of Chapter 15 of the Canada-United States Free Trade Agreement since the Agreement was implemented on January 1, 1989.

January 1 to December 31, 1989—1807

January 1 to December 31, 1990—3284

January 1 to November 30, 1991—2961

Question No. 168—**Mr. Proud:**

With respect to the Canadian Pension Commission (a) what is the current backlog (b) how does this backlog compare with the backlog three years ago (c) what is the current turn-around time for (i) first decisions (ii) Entitlement Board hearings and decisions (iii) appeals before the Veterans Appeal Board?

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): (a) For the 1991-92 fiscal year, 6,000 first level decisions were forecast to be completed by September 30—6,671 were actually completed.

(b) Three years ago, in the 1988/89 fiscal year, for the same period to September 30, 5,500 first level decisions were forecast—5,364 were completed.

(c) Turn-around time for:
(i) First decisions—30 days
(ii) Entitlement Board hearings and decisions—14 days
(iii) The average turn-around time from the date of the hearing to the promulgation of a decision for appeals before the Veterans Appeal Board was 66 days for the period from April 1, 1991 to November 30, 1991.

The average administrative time for the collection of documents from the department, case preparation, distribution of documents and scheduling, from the date of receipt of a notice of appeal to the date of hearing, was 206 days over the same period. This delay is shared between the board, the department and the Bureau of Pensions Advocates.

Question No. 169—**Mr. Proud:**

With respect to the Canadian Pension Commission, (a) how many commissioners are based in Charlottetown (b) are any commissioners based in other parts of the country, and if so (i) how many (ii) has there been a reduction in travel by the commissioners because of the relocations?

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): (a) The Canadian Pension Commission has 16 commissioners based in Charlottetown.

(b) Yes (i) 8 (ii) Yes there has been a reduction in travel by the commissioners.

Question No. 171—**Mr. MacAulay:**

1. With respect to the rock crab fishery in Prince Edward Island, for each of the last 3 years, (a) how many people have received fishing permits (b) what was the total yearly catch (c) what was the value of the total catch?

2. Does the government have any plans for (a) making the rock crab fishery a permanent fishery (b) licensing fishermen in the rock crab fishery?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): 1(a) 50 permits were issued in each of 1988, 1989 and 1990. However, log books submitted to DFO indicate landings for only 32, 21 and 6 permit holders in 1988, 1989 and 1990 respectively.

(b) 1988—930,030 lbs
1989—642,136 lbs
1990—282,912 lbs

(c) 1988—$186,006.00
1989—$128,427.20
1990—$56,582.40

2. Consultations with the industry will begin early 1992. The following considerations will have to be

addressed before a permanent fishery and the issuance of permanent licenses are allowed: stock evaluation, marketing and harvesting limits.

Question No. 172—**Mr. LeBlanc:**

With respect to the purchase of the former IDD/ECBC farm in Black River, Inverness County, Nova Scotia from the Government of Canada, (*a*) what is name and address of the purchasers (*b*) what was the purchase price (*c*) was the purchaser's bid the highest one received, and if not, (i) who submitted the highest bid (ii) how much was it (iii) why was this not selected (*d*) what did the successful bidder undertake to do with the property?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): a) Herman Vanden Hoogen Bros., R.R. #2, Mabou;

(b) The highest purchase price was $180,500;

(c) Yes, it was the highest bid received; and

(d) All of the potential purchasers planned to use the Mabou farm for agriculture purposes although their individual business plans differed. The successful bidder focused his plans on livestock and dairy operations.

Question No. 174—**Mr. Axworthy:**

Has the government created a Children's Bureau within the Department of National Health and Welfare, and, if so, (a) on what day was it created (b) how much money has it been allocated and spent in each fiscal year since its formation (c) how many (i) full time (ii) part-time staff are employed in the bureau in each fiscal year since its formation (d) what mandate has it been given (e) what projects has it undertaken since its formation (f) has it been directed to evaluate the government's constitutional proposals as they affect children (g) has it been directed to evaluate the government's prosperity agenda as they affect children?

Hon. Benoît Bouchard (Minister of National Health and Welfare): (a) The Children's Bureau was created following the World Summit for Children, on February 4, 1991, by the Minister of National Health and Welfare.

(b) the Bureau has an annual operational budget of $1.2 million.

(c) 12 person-years.

(d) The bureau's mandate is to ensure co ordination and consistency in federal programs relating to children. The bureau's principal purpose is to ensure the effectiveness of federal policies and programs relating to the health, welfare and development of children. To this end, the bureau promotes co-ordination within the federal governement, consults with other levels of government and non-government, consults with other levels of government and non-government organizations and communicates federal initiatives relating to children.

(e) The bureau's first major task is to co-ordinate the development of an action plan to implement the commitments made at the World Summit, and reiterated in the May 1991 Speech from the Throne. The plan will serve as a framework for initiatives that the government has undertaken or will put in place to improve the well-being of children in Canada and in developing countries.

By way of improving co-ordination among federal departments on children's issues and obtaining input for the development of the action plan, the bureau has established an Interdepartmental Committee on Children, comprising of 21 departments. The committee has met twice to discuss the plan.

The bureau held numerous meetings with non-governmental organizations as well as other federal departments. While the bureau does not have the capacity to provide grants or contributions, it has acted in support of initiatives and events contributions, it has acted in support of initiatives and events such as the conference "Canada's Children: The Priority for the 90's" held in Ottawa at the end of October, the "Ceasefire" conference, and next February's "Child Health 2000" conference which will bring together world-renowned experts on child health issues in Vancouver. In keeping with its interest in promoting research on the status of children, the bureau was involved with last spring's conference "State of the Child in Ontario" and the bureau has worked with the Child, Youth and Family Policy Research Centre to organize a small colloquium on the state of the child research across Canada.

(f) and (g) The children's bureau has not been directed to do this.

Question No. 179—**Mr. Blenkarn:**

Do the provinces pay goods and service taxes to the government and, if so, (*a*) which provinces pay goods and services taxes (*b*) how many dollars are collected in goods and services taxes from these provinces?

Hon. Otto Jelinek (Minister of National Revenue): Purchases made by provincial governments are outside the scope of the Goods and Services Tax (GST) legislation by virtue of the Constitution Act. Therefore, all

departments and bodies within the provincial entities do not pay the GST.

Point-of-sale exemption for provincial entities is provided through certificates attesting to the use of and payment for the supply by the province. Purchases must also be billed to the provincial body. In no case will Revenue Canada allow an exemption for cash purchases or purchases made by third parties on behalf of a province.

Question No. 183—**Mr. Harvey:**

With respect to the United Nations Human Rights Committee views concerning Communicaton Number 167/1984 Bernard Ominayak, Chief of the Lubicon Lake Band v. Canada, has the government received since October 1, 1990 any request or requests for further information from the Special Rapporteur for Follow-up on Views of the Human Rights Committee, and, if so, (a) when did the government receive such request(s), (b) has the government responded to such request(s), and, if so (i) when did the government reply (ii) what did the government reply?

Hon. Barbara McDougall (Secretary of State for External Affairs): The UN Human Rights Centre, as part of its routine procedure, has requested further information from the Government of Canada with respect to Chief Ominayak's communication following the release of the Human Rights Committee, while finding that an obligation exists to the Lubicon which must be settled, found the Canadian government's offer to be an appropriate remedy. While we have responded to the committee's request for further information, we emphasize that the committee, as a matter of practice, considers the response confidential at this stage and that Canada respects this rule. We cannot, therefore, comment on the content of our response. With regard to more recent developments, the Minister of Indian Affairs and Northern Development took the initiative and met with Chief Ominayak on November 1, 1991. That meeting proved productive and a further meeting is planned involving the minister, the Alberta minister responsible for native affairs and Chief Ominayak in February.

Question No. 185—**Ms. Callbeck:**

With respect to the reported $5865 in paid expenses claimed by National Transportation Agency Chair, Erik Nielsen during his summer trip to the Yukon (*a*) what is the breakdown of each item claimed as an expense (*b*) what was the purpose of Mr. Nielsen's trip (*c*) what was his daily schedule during that time?

Hon. Jean Corbeil (Minister of Transport): The National Transportation Agency advises as follows:

(a) The cost of travel by the chairman to the Ontario regional office at Thunder Bay, and to the western regional office at Saskatoon and to the northern regional office at Whitehorse was $5,865.28, including mileage allowance and other travel related expenses at rates and amounts established by the Treasury Board.

Ottawa to Thunder Bay to Saskatoon to Whitehorse to Saskatoon to Ottawa	$ 2.722.83
Car rental	334.91
Accommodation	632.32
Meals	1,713.94
Other expenses (incidentals etc.)	461.28
Total claim	**$ 5,865.28**

(b) The purpose of the trip was to visit regional offices of the National Transportation Agency; to inspect various transportation facilities and services in western and northern Canada and to consult with individuals, public and private sector organizations and officials concerned with the transportation industry.

(c) During this period the chairman discharged his normal responsibilities as chairman of the agency through headquarters offices in Ottawa and through the agency's regional offices in Thunder Bay, Saskatoon and Whitehorse. He also participated in the inspection of transportation facilities and in organized meetings with shippers, carriers, industry and government official and others concerned with transportation matters.

Question No. 189—**Mr. Assad:**

With respect to the agriculture infrastructure in the prairie provinces (a) what are the total revenues of the government received under that infrastructure (b) does the government have any intention of calling into question that infrastructure as we know it today?

Hon. Bill McKnight (Minister of Agriculture): (a) Our data sources do not permit a breakdown of government revenues from agriculture seperately from industries such as mining, tourism and so on. Agriculture accounted directly for 5.3 per cent of the prairie gross domestic product (GDP) in 1986 and much more than that when one considers transportation, storage, process-

ing and related activities. Of 34 census divisions in Canada with over 20 per cent of their total employment on farms, 33 are in the prairie provinces.

(b) The government does not call into question the existing agricultural infrastructure, but the infrastructure has changed considerably over time, and it will continue to evolve in response to economic and social developments. It is the ability to manage change from the status quo that is the hallmark of rural communities and rural families. In line with the demonstrated importance of the sector, the objective of maintaining the income levels of prairie farmers and the infrastructure necessary to support the sector has been pursued by the government through unprecedented assistance. During the 1985-1991 period, net federal program payments in the prairies totalled $9.2 billion.

Question No. 191—**Mr. Mifflin:**

With respect to the future of the Argentia Naval Base (a) when does the U.S. Navy plan to vacate the U.S. naval facility at Argentia (b) are there ongoing discussions and/or negotiations under way to study (i) the scope (ii) the feasibility and viability of Canada taking over this base for operational and/or training purposes (c) will this subject be considered by the advisory group on defence infrastructure (i) as part of the Canadian Forces presence in Newfoundland (ii) as a socioeconomic issue?

Hon. Marcel Masse (Minister of National Defence): (a) No firm date has yet been established by the United States Navy.

(b) Interdepartemental discussions are ongoing concerning the future of Argentia.

c) The subject will not be considered by the advisory group on defence infrastructure as Argentia does not belong to the Canadian Forces but rather to the United States Navy.

Question No. 197—**Mr. Wood:**

Will the government's contribution toward the recent joint initiative with the Ontario government, announced on November 4, 1991, and entitled the Northern Ontario Development Agreement, come out of FEDNOR funds or will it be moneys other than those allocated to the FEDNOR program?

Hon. Thomas Hockin (Minister of State (Small Businesses and Tourism)): FedNor:

The Northern Ontario Development Agreement (NODA) was not funded out of FedNor funds but rather from the Ontario Regional Development Reserve. The agreement was signed on Novermber 4, 1991 and provides $95 million over a five-year period to encourage economic development and diversification in northern Ontario in the key sectors of forestry, mining and tourism. The agreement is cost shared 50:50 by the federal government and the province of Ontario.

Question No. 200—**Mr. Peterson:**

Does the government have any intention of repealing the Postal and Courier Remission Orders of 1986 and, if not, what steps is the government considering to assist the direct marketing industry?

Hon. Otto Jelinek (Minister of National Revenue): Several groups and individuals have expressed their concerns to the government respecting the impact of the Postal and Courier Remission Orders on the Canadian mail order industry. In response to these concerns, the government has established an interdepartmental committee to fully investigate and make recommendations on the entire cross-border shopping issue, of which these two remission orders are only a facet. As this matter is still under review by the committee, the department cannot provide details of the government proposals designed to address the situation. The department will be providing the Canadian business communities with the details as soon as they are available.

[*English*]

The Acting Speaker (Mr. DeBlois): The questions as enumerated by the parliamentary secretary have been answered.

* * *

STARRED QUESTION

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, would you be so kind as to call Starred Question No. 99.

[*Text*]

*Question No. 99—**Ms. Langan:**

For each year since January 1, 1988, has the government assumed any costs related to the (a) furnishing (b) decorating of the Prime Minister's residences at (i) 24 Sussex Drive (ii) Harrington Lake and, if so, at what cost?

Hon. Elmer MacKay (Minister of Public Works): The National Capital Commission informs me as follows:

The Official Residences Council (ORC) was established in 1984 to provide independent and impartial advice to the Prime Minister and the government on the development, maintenance, refurbishing and operation of the buildings and grounds of Canada's seven official residences[1].

In 1986, the National Capital Commission (NCC) assumed responsibility for the six official residences located in the national capital region while Public Works Canada assumed responsibility for the Citadel in Quebec City. All major projects and acquisitions require the approval of the ORC before proceeding within the strict budgetary rules and allocations approved by Parliament. Minor projects are implemented directly by the NCC.

As the ORC indicated in its *Third Report Summer 1990*, the lion's share of public expenditures on official residences is directed to essential rehabilitation, repairs and routine maintenance of buildings, and the restoration and conservation of Crown-owned heritage furnishings and works of art. Since its establishment, the ORC has ensured that public funds are expended only to meet legitimate and verifiable needs.

It should also be noted that, in addition to being large residences, these are aging buildings: four of them incorporate structures that predate Confederation with the remaining buildings built early in this century. All of the official residences are included in the Federal Heritage Buildings Register, a status that requires their protection and preservation for future generations.

From January 1988 until August 1991, furnishing and decorating costs amounted to $39,524 for 24 Sussex Drive and $60,359 for Harrington Lake. For purposes of comparison, the ORC reported that the total operating expenses for the seven official residences for FY 1989/90 totalled $2.8 million of which $1.26 million was spent on Rideau Hall, $107,000 on Stornoway and $219,000 on 24 Sussex Drive.

[1]These are: the residences of the Governor General, Rideau Hall in Ottawa and the Citadel in Quebec City; the Prime Minister's residences at 24 Sussex Drive and Harrington Lake; the Leader of the Opposition's residence, Stornoway; the residence of the Speaker of the House of Commons, The Farm at Kingsmere; and the Government's guest house at 7 Rideau Gate.

Mr. Cooper: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

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

Some hon. members: Agreed.

Mr. Riis: Mr. Speaker, I was going to ask my hon. friend some hard questions, but in light of the fact that he has answered so many questions, I want to hold off.

I commend the government on doing some homework over the break and providing these answers. It is nice to be able to say something positive to my hon. friend for the work that he does.

* * *

POINT OF ORDER

INCOME TAX RETURN FORMS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on a point of order. I want to raise this again with my hon. colleague, the Parliamentary Secretary to the Government House Leader.

I did not want to raise this earlier today for obvious reasons, but as we all know, tax returns are being sent out to the post offices. They are now being picked up by people, particularly the non-personalized ones. I have received a notice, and I guess we all did, that in western Canada many post offices are announcing that the forms cannot be picked up until after February 13 because they have some forms in one of the official languages but not in the other.

Could I ask my friend if perhaps by tomorrow someone could make a statement, at a critical time when everybody is wanting to get their tax returns filled out, on when they would be available in both official languages, particularly in western Canadian post offices.

Mr. Cooper: Mr. Speaker, I appreciate the hon. member giving me notice of his concerns. I will indeed attempt to find an answer to his concerns and get back to him as soon as possible.

GOVERNMENT ORDERS

[*English*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-32, an act to amend the Canada Assistance Plan, be read the third time and passed.

The Acting Speaker (Mr. DeBlois): At the suspension of the debate, the hon. member for Dartmouth had 11 minutes left.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, before the break for Question Period I was trying to impress upon the House the true state of the nation with regard to what is happening because of this government's economic policies, as well as the downturn in the world economy, particularly with Bill C-32 which is the cap on CAP bill. Most Canadians who hold an interest in what we do here have at least read about this and perhaps have seen some of the debate on television.

The focus of my comments prior to the break for Question Period was simply this. With all we do in this place, with all of the tinkering and all of the niceties we exchange in debate, one of the things we have to be very clear about is the fact that in this country, which ostensibly should be the wealthiest nation on earth, we now have according to Statistics Canada over one million children living in poverty. The consequences of a child who lives in poverty are real and are negative.

I have three children and as everyone who has children knows, parents want nothing but the best and the finest for them. Even with the great incomes we in this House and people in the business community make, it seems we can never give enough to our children because we desire for them more than what we can have for ourselves. I think that is a fair comment.

The point I was trying to make is that this government, through its economic policies, has made a decision that children born in poverty are not worth rescuing. It has made a decision that the parents of those children who live in poverty somehow are to blame for the situation they find themselves in, as if anybody in his or her right mind would want to live on $800 a month.

Statistics Canada has told us what it means to be in poverty. It has said that on average a family of four making less than $26,699 in 1990 were living in poverty. There are people out there with families of four who are making $8,000, $9,000 and $10,000 a year. My God, they would think they had won the lottery if they could make $24,000 or $25,000 a year.

This government has made a strategic decision, that those people do not matter any more. It has come in with Bill C-32 and basically said that the poorest of the poor, those who suffer disproportionately because of mismanagement of the economy by governments primarily, have to bear more of a burden of responsibility for the state we find ourselves in than anybody else in this country.

Can you imagine? We are about the wealthiest country in the world. We spend billions of dollars on various programs, yet we have one million children living in poverty. They go to bed with hungry stomachs, go to school with hungry stomachs, go to recess with hungry stomachs, and go home at the end of the day with hungry stomachs.

I talked to educators. I went to schools in my riding, and depending on the part of the town more or maybe less of this will be found. They told me that after three weeks of having a class they can tell which kids are coming to school without any breakfast in their bellies. Kids who are hungry do not learn to their full potential because their brains do not work when there is not enough food.

• (1600)

It seems that we are fully willing to accept the consequences of cyclical poverty. It seems that we are fully willing to say, and pardon me for saying this, to hell with those children who were born in poverty. That is what we say in this place when we come in with a piece of legislation like Bill C-32 which is a cap on the CAP. We say that the poor will have to do with less because we have mismanaged. While we amend the tax act to give more to those who have, we have with a backhanded slap said to those who have been forced into poverty: "Tough luck, Charlie".

I normally do not read in this place, but I want to read from this statistic because it has bothered me a lot: "Boys on welfare are 1.4 times likely to do worse than other boys of their age group in school". This is startling. "Almost one-third of children in subsidized housing",

which usually means people who are on social assistance and welfare, "have psychiatric disorders compared to one in seven children in other homes. More than 40 per cent of children ages 12 to 16 in subsidized housing do more poorly in school than other children do". These are kids. This is our future we are talking about.

Think about it. What we are doing here is crippling. We are giving these children a handicap before they even understand what their role will be as young adults or as adults in society.

An hon. member: It is criminal.

Mr. MacDonald (Dartmouth): It is close to being criminal. My colleague from Broadview—Greenwood, who has expressed with a great deal of clarity time after time after time in this House the problems this government has in focusing, would agree with my comment.

Instead of penalizing those individuals and their children who are forced into poverty, we need a 100 per cent effort by the Parliament of Canada and by the people of Canada and a partnership with the businesses in Canada; not to put more welfare payments out there, not to kick those who are down, but to put people back to work. If we can make that effort, break that cycle of poverty and put integrity and self-respect back in the lingo of those who are pushed down so hard, then just maybe the government would not have to worry. Even with its mismanagement it might be able to handle its deficit.

If we put people back to work in this country, if we focus our efforts on re-instilling pride in the work people do and allowing them to dream about doing better, they will be able to look up and see a light at the end of the tunnel. Right now, every time they see a flicker of light, the government comes in with some damned piece of legislation like Bill C-32 which basically says, as has been said before: "If you are poor, tough luck. You people don't vote anyway. Don't you know that? Poor people don't vote". We have all heard that. I guess they are too busy trying to figure out how in the name of goodness they are going to pay their rent and put clothes on the backs of their children.

I thought perhaps the government could have come back from its Christmas holiday a little wiser and asked what Bill C-32 does. It caps the rate of increase on the government's contribution to social assistance programs in three provinces, the ones it considers to be the wealthiest provinces. Well, wake up and smell the coffee. Ontario is quickly becoming a have not province in this country.

As I said earlier, how in the name of God can we differentiate one poor family from another poor family? If you are poor in Newfoundland making $10,000 a year, if you are poor in Willowdale making $10,000 a year, or if you are poor in Vancouver, damn it, you are still poor. To differentiate and say for some reason that because you are in southern Ontario, British Columbia or Alberta, as these payments go up it is not going to participate like it did before. Leave it up to the provincial governments.

This is going to sound strange, coming from the mouth of an Atlantic Canadian, but I am going to tell you. In Atlantic Canada sometimes we are the butt of jokes and sometimes we make Ontario the butt of our jokes. But let's be serious here. The new NDP left-right coalition—the NDP government down in Queen's Park and the Tory government opposite—has done almost the impossible with the Ontario economy. It took an economy which was bubbling over two and a half years ago and not only put the brakes on it, but wrecked the vehicle. It has literally killed the Ontario economy.

The free enterprise spirit has been crushed in Ontario. The high interest rates of this federal government of two years ago, the GST which has completely destroyed consumer confidence, the free trade deal, and a government in Ontario that says "what is another $10 billion in deficit", destroyed the main economy in Canada that allows our federal government to work, that allows us to have equalization programs and transfer payments. By the grace of God, for the last number of years Ontario has been the bread basket and the powerhouse economically in this country, and it has been.

It upsets me that it is being driven over. I do not know but I think the Prime Minister is in the driver's seat. Boy, I do not know if Bob Rae is pulling it over or pushing it over, but the Ontario economy is in deep trouble. For this government not to recognize that to put an addition-

al burden on the province and the taxpayers of Ontario right now, when there are record numbers of unemployed which continue to grow, bankruptcies skyrocketing and hundreds of thousands of jobs are lost to south of the border, just belies credibility.

In conclusion, I would hope that government members opposite have taken note of what they have heard over the Christmas holidays. The government determines which bill gets up here on any given day. I would hope that it would come to its senses and stop penalizing those whom it has put in positions of poverty and that it would take this bill and allow it to die on the Order Paper.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, recently I put out a householder in my riding in which I was talking about the thrill it was to be associated with members of Parliament in this House of Commons and the different sort of experiences we have listening to and debating with one another.

I want to say that it is always a constructive experience listening to my colleague from Dartmouth, because he delivers a message that is succinct and to the point. His passion is such that he gives hope to the Canadians out there who are really looking to this Chamber for hope.

I wanted to point out, being a member from Ontario, a couple of little points. First, he mentions that people are poor in Newfoundland and they are also poor in Toronto. That is the case, but I want to say that $10,000 a year in Newfoundland goes a lot further than $10,000 in Toronto.

In my riding a single mother was being evicted from a basement apartment the other day. It was costing her $1,100 a month just for a basement apartment. Sometimes when we talk about Ontario or Toronto we imagine that everybody is rich, we imagine that everybody somehow manages to get through. That is not true any more. If I sounded a little aggressive earlier today when I was saying that the issue was getting people back to work, it is only because unemployment insurance payments and welfare payments do not work in the city of Toronto.

• (1610)

They do not work because they do not even cover the rent in 90 per cent of the cases, never mind clothing and food. That is why those of us in Toronto maybe for the first time in our lives are experiencing what many other regions of the country have experienced on a cyclical basis, sometimes yearly during different seasons when there is high unemployment.

I would like to remind, with kindness, my colleagues that the suffering which is going on in Toronto right now is good in one sense because it is making us aware of what is going on in the maritimes which maybe in the past we had not quite realized. I just wanted to mention that.

Mr. MacDonald (Dartmouth): Mr. Speaker, I am fully cognizant of the fact that poverty is a relative thing. For those who find themselves in poverty, being from the great peninsula of Newfoundland, that wonderful province, or from metropolitan Toronto, the sting is no less severe.

People are looking for hope. They want a reason to believe that things will get better. Social assistance is not the answer. Surely giving social assistance at a rate that is 50 per cent does differ. A family of four, the average in Canada, at $26,000 or $27,000 is still considered below the poverty line. Look at the actual percentage of welfare payments, social assistance, making up the poverty line. If $27,000 is the poverty line in Ontario even with full social assistance benefits, those people are still 52 per cent below the poverty line.

We spend a lot of money but we keep people poor. We do not give them hope and in many cases we give them just enough to survive in misery and squalor. That is all we do.

I wish to make a comment on the UI system. Certainly the UI system should not be a supplement for good job creation programs. Even the UI system, which is meant to be a net when people get in an economic decline, is meant to be there for a period of time, whether two weeks or six months and hopefully not much longer, so that people can get on with their lives if there is a particular economic downturn in their area. Go to Newfoundland and talk to my colleague from Labrador. He has been in this House a long time and he has never seen people go hungry before in his riding. He sees them hungry today because the government last year made a decision on Bill C-21 that it was going to alter the UI system and it was going to penalize those people who had to rely on UI for a period of time.

What it has meant is that people no longer qualify. If they do, their benefits run out more quickly. All of a sudden what happens? They have to rely on their municipality for welfare and when the federal government has cutbacks on the transfers to every single province in this country, it means that those provincial governments do not have the money to do anything. The municipalities almost go belly-up.

It is a much broader problem than it first appeared to be. Most of it can go back to the misguided policies of this Conservative government.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to participate in third reading debate today of Bill C-32.

In doing so, I want to try and outline a couple of things, one of which is an example on how we approach things differently than the government of the day or the official opposition when it was government in terms of our role in society, the role of government, the role of Parliament and the role in the relation between the federal, provincial and municipal governments.

This bill deals with a restriction on the amount of tax dollars shared with different parts of this country. The three provinces being restricted in that cash flow are B.C., Alberta and Ontario, supposedly because they are the have provinces.

I come from a community that has seen over a thousand mill jobs lost in the last year; a community that has a shaky future as it relates to the grain handling and transportation industry; an infrastructure that is deteriorating.

It is an infrastructure that is totally incomplete because we are still flushing our sewage almost virtually untouched into Lake Superior. We have a government that says: "Ontario, you have to do more on your own. The taxpayers of Ontario have to do more on their own". Ultimately it comes down to that, whether it is through increases in provincial taxes or whether it is through increases in property taxes, which are even more regressive than taxes like the GST.

I have had the occasion over the last three to four weeks, as part of the break from the House, to talk to a large cross-section of my constituency. Some was formal. I held a series of eight working sessions on the economy throughout the riding over two weeks. I also held a constituent assembly which attracted people not just from my riding, but from the neighbouring parts of the Thunder Bay—Nipigon riding in the city of Thunder Bay. Out of those meetings came a real understanding for me of the thinking of the people who were there.

In part, it has been paralleled by the conferences that I think have gone extremely well, held in different parts of Canada, to deal with the Constitution. They all relate to this particular bill. They relate to government powers, they relate to government spending, they relate to the trust that is placed in all of us in this House by the people who voted for us and who elected us. It also speaks to the kinds of things that we are hearing across Canada about the need for some protection from the actions of governments.

We saw this past weekend, at a conference that was designed to deal with the question of the economic union, an explicit request that some of those things that we value as Canadians, some of those things that make us different from our neighbour to the south, receive some kind of protection in the Constitution. People call it a social charter.

My leader, the member for Yukon, made a proposal, not last month but last year and the year before about the need to place a social charter in the Constitution. The premier of Ontario, Bob Rae, a former member of this House, formally proposed it as the representative of the province of Ontario. We saw at the conference strong support for it. Based on the constituent assembly that I held in Thunder Bay a week and a half ago, there is strong support there as well.

We raised the question on collective rights and basically asked a group of men and women who represented a fairly good cross-section politically, economically and what have you, if our Constitution should include more guarantees of collective rights and, if so, what collective rights should be included. Eighty-two per cent of those casting ballots said yes and then when we gave them a list to choose from and places to add on, they voted as follows: 78 per cent for a minimum standard of living; 91 per cent for decent health care; 81 per cent for an education and a job; 91 per cent for clean air and clean water; 63 per cent for collective bargaining; 84 per cent for integration of people with disabilities; 78 per cent for participation in the formation of economic and social goals.

The relationship to the bill that we are debating is tied to that kind of response. People do not want us to fiddle with the programs and services that are valuable to them and the fair and equitable treatment of those people who, for all sorts of reasons, do not have the economic strength for full participation. Those people need protection from governments. When the federal government reduces transfer payments to any group, whether it is a province or what have you, that group has to find some replacement funds.

• (1620)

We are seeing it in increased taxes, we are seeing it in reductions in transfers to municipalities which means the only things the government can do is either cut services or raise property taxes or user fees. It has no choice if it wants to protect its citizens.

The other theme that came through at the constituent assembly that again relates to this bill is the desire for a strong, central, national government with the power to ensure that there is equitable availability of services from sea to sea to sea, so that no matter where you are you have access to the same quality of health care, the same quality of education. That is not to suggest that there might not be different approaches in each of the jurisdictions, but that the same quality will be there.

They were very strong on that, but they were also strong on not wanting the courts to be the adjudicators. They wanted Parliament to make the decisions, whether it was Parliament in terms of this House or the other Chamber which they wanted retained but reformed to provide more protection for them so that this House, through the government of the day, could not arbitrarily reduce the quality of those services.

In a broad way they were saying: "We want you to do it but we are not prepared to trust you entirely", the "you" being we in this Chamber, the "you" being the government of the day.

I think it was a cry for a different way and by proceeding with this particular bill, Bill C-32, I believe it is going against the mood of the people of this country. They do not want our programs weakened. They want them strengthened. They want the power of this institution strengthened so that it acts on their behalf, the citizens of this great country, not on behalf of a bottom line or a particular corporate mentality; on behalf of all citizens.

At the same time they, like I, recognize that each part of the country is different. We have different needs. We have different desires. We have different realities—geography, history, language, culture, our economic base. Some of those jurisdictions need greater assistance from the federal level in order to help make them more equitable from sea to sea to sea.

This particular bill, which is extending a previous bill which capped CAP until 1992 and extends it to 1995, is going in the wrong direction. As the previous speaker said, it should be allowed to die on the Order Paper. We cannot necessarily reverse what has happened to date, but we can prevent this kind of change from occurring in the future.

It is fair game if the Government of Canada sits down with the provincial and territorial governments and carves out a new deal. That is fair game because it needs change. Just because we adopted a program in 1960 or 1950 does not mean we should not revisit it to see if it still works in 1992.

As my leader said in one of the constitutional debates, we should not be talking about who has what power in this country but where is that power best placed to serve the people of this country. It may be that the best place is at the municipal level. It may be that the best place is at the provincial level. It may be that the best place is at the federal level, or maybe a mix. That is the kind of approach we should be taking, not an arbitrary decision to cut off three provinces because of a no longer valid assumption about being haves.

Look at the statements from the premier of Ontario in the televised address that he made two weeks ago or the plea to the Government of Canada for almost $1 billion to assist Ontario in dealing with the realities of today. It does not matter who we blame for those realities, they are real.

We have lost thousands of jobs in Ontario and we are losing more every day. Yes, it is because of the free trade agreement and yes, it is because of the recession. Perhaps the federal government was directly responsible or maybe it was the provincial government, but the bottom line is that there are tough times in Ontario today.

We all have to work smarter and look for innovations to get people back to work, to keep people working, to provide the training that is needed and to ensure that as people go through transition after transition they have the skills to move forward. We are told that in this day and age, anyone graduating from high school or university can assume that they will have at least three careers during the course of their working days, and they are not necessarily related careers.

At the outset of my remarks I made reference to the loss of jobs in Thunder Bay in the pulp and paper industry. One mill closed entirely and its total work force is out on the streets. Another mill chopped about 400 jobs. In working with the Unemployment Insurance Commission and the Canadian Jobs Strategy, training packages were developed. We now have men who came out of high school, got a job at the mill and worked there for 20 years. They are back at community college and are taking a broad range of careers. For them they are atypical careers.

Imagine someone going from being a paper maker to a nurse, or someone who operated a fork-lift learning computerization. All those things are possible and all we need are the tools to do them. If you cut off the transfers that provide support to people when they are unable to work, then you are cutting at the very foundation of their psyche, of their ability to get back on their feet, find a new option and new ways of doing things.

I think the federal government would be much better off looking for new innovations in that way, and not reducing the transfer payments to B.C., Alberta and Ontario. It has to find a better way. It has chosen to cut instead of allocating resources in a much wiser and more effective fashion.

I want to give you one suggestion, Mr. Speaker. There is a section in the Income Tax Act that allows people to defer their incomes. Teachers use it at the elementary and high school levels, instructors at the community colleges in Ontario use it and the federal public servants use it. In some cases it is called "four over five".

You sign up for the program with your employer and defer one fifth of your annual gross income into a special account. In the fifth year, you leave your place of employment for a year. Some people take training to upgrade and are paid throughout. Some people travel. Some people get into new occupations or activities to develop their minds, and come back refreshed. All sorts of options are opened.

What it also does, assuming the employer is concerned about creating employment, is create one full-time replacement job over five years for every five people in an operation who participate. That is available to every sector in this country. It has been in the Income Tax Act I believe for at least 15 years, if not longer, but very few sectors have used it.

• (1630)

I want to go one step farther. If we want to deal with the unemployment problem, which in part is responsible for the kind of mushrooming welfare situation we have not just in Ontario but right across the country, we have got to find ways to get people back to work. One of the ways to do that is to provide either interest-free or low interest loans through companies that agree to participate, provided they replace the workers.

What I am suggesting is that this coming year a number of people could take their year off for retraining, to relax, to recharge the batteries, to volunteer at a local hospital or whatever. Then over the next four years, they would repay that income. We just reverse the process a bit. This would allow the creation of some new positions now when we need them, because we have a lot of people out there with a lot of valuable skills that are going to waste.

There obviously has to be some recognition that peoples' incomes will drop, but I am told the experience in the education sector is that when you take off the taxable component, the loss of net income is marginal. At the same time, in the treasury of Canada, Ontario or any of the provinces, by having one more person for every five working in the work force paying income tax, not collecting UI, not collecting welfare, you will have a net gain to the treasury without the kind of investment needed to create a plan; millions and millions of dollars, whether it is in the deferred taxes for large corporations which reinvest in capital equipment, or the megaprojects or what have you. That is the kind of smarter thinking we need.

I am not going to take credit for this idea. It came to me from one of my constituents who came to one of my working sessions on the economy. It is one of many

remarkable ideas offered to me as a means of trying to deal with the economic situation. Let us all go back to our constituencies and ask the ordinary folks for those kinds of ideas and in the meantime, let us scrap this bill so that we can ensure that while we need it, the money is being transferred from the federal taxpayer to the provincial taxpayers in those three provinces, so that we can look after the people in need.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to say to the hon. member for Thunder Bay—Atikokan that I think that was a very good idea he just came up with. There are many parts of his speech that I agree with, especially when he was talking about the thousands of jobs that were being lost in the province of Ontario.

I do have however a little problem with the New Democratic Party. I want to be very specific. One of the largest auto parts organizations in Canada is Magna International. Its co-founder, Mr. Antoine Capka, resigned about three years ago, and went off with a group of other private sector entrepreneurs to develop an idea to build a small town. Eighty per cent of it was to be composed of affordable shelter. What I mean by affordable is ranging anywhere from $120,000 to $140,000.

They hired the former minister of education, Bette Stephenson, to head a group to set up an environmental college. It was kind of a dream situation. They invested $25 million of their own money. They got land that was declared surplus passed by agricultural experts. The conservation authority said that it was not causing any problems in terms of the environment or the ecosystem, et cetera.

This was a project that would have created about 17,000 jobs over a period of four years.

Just this Friday past, the minister of municipal affairs for the province of Ontario wrote a letter to the principals saying they would never approve this project. They literally shut it down. They shut it down without hearing a full proposal. I can tell you from personal experience, I have tried to call the premier. I have faxed the premier. I have written to ministers in the province in a very high-road, constructive way saying this project is three times the size of de Havilland for four years, not to mention the social benefits of the college, et cetera.

I tried to communicate the importance of this to the premier and his ministers in the province of Ontario and I got nowhere. The member was making remarks earlier about the province of Ontario and their need for jobs. What do I have to do in order to bring a project like this to the province of Ontario so we can put Canadians back to work, get affordable shelter, not to mention the light industry that was planned for the project?

Regretfully, Mr. Capka, who had this dream and was really one of the brains behind Magna, died two weeks ago of a massive heart attack, God rest his soul. I believe one of the reasons he died was because of the pressure and the frustration of dealing with layers and layers of bureaucracy. When you believe you have a vision or a dream, somehow the bureaucratic process can really strangle you.

My question to the member is: How do we communicate good ideas that will create jobs to the NDP leadership in the province of Ontario?

Mr. Angus: Mr. Speaker, I do not know anything about this specific project, so I am not going to comment either way. Obviously the member has already done part of that marketing by standing up in the House and asking me that question. That is really what you have to do. The reality is that there are a lot of ideas out there and they have to get through to the people who are in charge.

I have found that the current Government of Ontario is much different than the previous Liberal government in that ideas have to be proven. They have to go through a process, as opposed to what I am told happened in the past. Then if you convinced the premier, he would order it done without thinking it through. I know of a couple of incidences of that.

I can tell you though, regardless of the one matter that the hon. member raised, that I have at least two examples of where the government worked hand in hand with business and labour in two plants in the community of Atikokan. There was some inventive financing that did not require large amounts of money from the province or the federal government. In fact, the federal government basically ignored us. Those plants, Proboard and Atikokan Forest Products, are running again, putting a

community that had an 80 per cent unemployment rate back in operation.

So there are successes. There are ones that we wonder about.

An hon. member: How do you get through?

Mr. Angus: How do you get through? You keep knocking on the door. You do not give up.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, the constitutional conference just completed in Montreal came to the conclusion that economic union in Canada could be put in place only with guarantees of social equity among the provinces. Equalization payments were attempts by previous administrations in Canada to establish at least some level of social equity among the provinces.

I wonder if the member for Thunder Bay—Atikokan would comment on the effect of this bill on social equity, and on the possibility of economic union in Canada if this bill comes into effect.

• (1640)

Mr. Angus: Mr. Speaker, I want to thank my colleague for the question.

What the people in that conference were saying is that they wanted mechanisms to protect them and provinces from arbitrary decisions by the federal government to erode the fabric of the programs that we hold dear, whether they are health care, transfers for education or any of the other programs.

They want a social charter as a means of doing that. There may be other solutions but that is the one they focused on and they felt, as I understand the reports, that you cannot have an economic union without a social union; there has to be a balance. Certainly in the European Community a social charter has been a large part of not only its negotiations but of its agreements to protect the people in each of the member states.

That is really all we want in Canada, some kind of protection so that the government of the day, no matter what its stripe, cannot arbitrarily remove or reduce some of their services.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I would like to ask the member about Bob Rae's relationship with business in Ontario. It is clear that Bob Rae has totally turned off business. One of the reasons is that just a few moments ago he said that if a project had to be undertaken in the province of Ontario under the previous Liberal administration, all you had to do was get the premier's okay and consent.

Today if you want to get anything done, you have to get the consent of the union bosses in Ontario.

I would like to ask him whether he agrees with what is happening in the province of Ontario in which labour and Bob Rae have totally turned off business. Would he not agree that type of antagonism toward the business community in Ontario has had the effect of destroying opportunities to create employment in the province of Ontario? It has scared off investors and the people he purports to act for, the average workers in Ontario, are suffering because of that cosy relationship between Bob Rae and the union bosses in Ontario.

Mr. Angus: Mr. Speaker, the hon. member is taking the mythology promoted by the major media in Ontario. I have been at meetings with Bob Mackenzie, the minister of labour, as he sat across the table from the Chamber of Commerce folks and other ministers. It is a very frank but not confrontational relationship. People are investing in Ontario. People are staying in Ontario and if you look at the leaked report of the premier's council, you see that we are more than competitive. We are doing very well.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Before continuing the debate, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Ottawa West—The Royal Canadian Mint; the hon. member for Cardigan—Ferry Service; the hon. member for Annapolis Valley—Hants—The Constitution; the hon. member for Prince George—Bulkley Valley—Foreign Trade; and the hon. member for Surrey North—Cigarettes.

Resuming debate, the hon. member for Humber—St. Barbe—Baie Verte.

[*English*]

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I rise to take advantage of the opportunity to speak on Bill C-32, the limitation on the Canada Assistance Program being proposed by the national government. I come from a part of Canada that looks at this so-called restraint on the three wealthiest provinces

of Canada, Ontario, Alberta, and British Columbia, with not the slightest degree of understanding or sympathy.

The people of Newfoundland, and I suspect the people who come from the so-called poor parts of this country, now more than ever before want their elected representatives, be they in the national parliament, be they in the legislatures, or at any level, to stand and be heard to oppose this bill which will limit the amount of money that the federal government will contribute under what was heretofore a 50/50 cost-shared program for social service purposes or welfare purposes in the provinces of Ontario, Alberta and British Columbia.

Who has been singled out for fiscal restraint in those provinces? Whether you are poor in P.E.I. or whether you are poor in Toronto, a poor Canadian, no matter where he or she lives, should expect from their national government exactly the same kind of proposed level of treatment. Somehow this government has got in its head the warped concept that it is better to be poor—or easier to be poor—in some provinces than in some others.

The people in the province where I come from, the province of Newfoundland and Labrador, know that is nonsense. Those who come home from Ontario or come home from Alberta, and many have come home because of the downturn in the economy, know it is easier—if you have got to be poor, God forbid—to be poor where you can still plant, in rural communities, a few vegetables; to be poor where you can still go out, hopefully, and share in a few fish, although there are not many left; to be poor, hopefully, where you can still go out and share in the moose that was taken down by a brother or cousin.

This warped concept that it is okay to limit, to pick on poor people in so-called rich provinces, is really the latest manifestation of the, may I suggest with great respect, warped mentality that emanates from those who offer this policy opposite. Who are we picking on if we stand as members and support this bill? I notice that many members choose not to speak, choose not to stand and support this bill. Many of them plan to vote for it. When the time comes to say aye or nay, they will be there to say "Aye, aye, I support the bill". They are Conservative members of Parliament, but they do not dare to stand in their place and speak for this bill, defend this bill, explain this bill, propose this bill. Why? Because who are we picking on? We are picking on single parent families, mentally and physically challenged people, the aged, children in care or in institutions who are in need of protection because of abuse or neglect, the unemployed, families and individuals who live in crisis and seek crisis assistance, low income workers, battered women.

We are not reducing a payment to provinces. We are not picking on—who is the provincial treasurer in Ontario?

An hon. member: Laughren.

Mr. Tobin: Laughren, Floyd Laughren. He has logged an awful lot of additional unemployment lately in Ontario under his stewardship. We are not picking on Floyd with this bill. We are not picking on the treasurer of Alberta or the new minister of finance in the province of British Columbia. This is not a case of a government putting the financial boots to another government or governments.

This is not simply a question of a paper transfer across governmental institutions. These are people of flesh and blood and they are the poorest people in our country. They are the people least able to make their voice heard. They are the people, because a lack of will and resolve on the part of governments and parliamentarians, whose voices in many instances result in the sound of silence. They are among the weakest, politically and economically, in our society and they are the last people we should ask to bear the burden of a recession. They are the first to be affected by a downturn in the economy, the last to recover from a downturn in the economy and they should be the last people we ask to bear the burden of government restraint measures.

What is going on is morally wrong.

• (1650)

This bill, Bill C-32, is morally wrong. I come from Newfoundland and I know that if I stay silent in Newfoundland as these punitive measures are imposed upon the weakest members of Ontario, British Columbia and Alberta society, when the axe comes for those who live in Newfoundland there will be nobody left to stand and speak.

This is not an ideological issue. It should not be a question of right wing thinking versus left wing thinking. There is no purity here. Nobody has a monopoly on a moral issue. This is really about how Canadians define themselves. This is really about what kind of country Canada is going to be. This government has challenged many of the basic tenets of the social contract that we have negotiated between ourselves over 125 years. It is the contract in which no matter whether you come from Newfoundland, Quebec, British Columbia, Ontario or New Brunswick, there are some things we hold in common.

There are many ways in which we are different across the provinces. We have different languages, different culture backgrounds, different ethnic groups, different economies—some are seasonal, some are manufacturing and some are resource based—different weather, but there are some values that we hold in common. Those values have always been defined by our institutions and by the participation of our national government.

There is only one national government. There are 10 provincial governments and territorial governments, but only one national government capable of giving some national leadership and national programs, capable of providing national standards that Canadians no matter where they live will find in common. When the national government withdraws from those programs, we turn the country into a social and political tower of Babylon in which we hold nothing in common.

Bill C-32 is the latest manifestation of a program of national deinstitutionlization, national destruction, that has been undertaken by this party for the last seven or eight years. Take any small community in Newfoundland or any small community in any part of this country where once the federal flag, the flag of Canada, flew over a post office, the flag is no more and neither is the post office.

In many parts of this country where once VIA Rail pulled up, stopped and picked up people in rural and isolated communities and allowed them to move around this country, particularly the aged and students, there are no more trains. They are gone. Where once people could look forward to services sometimes in a small hospital or in a medical clinic, because of the medicare program and transfers, because of a different set of cuts—the transfer payments have been cut—and because of the millions that have been cut unilaterally by this government, many of those medical facilities or institutions are now gone. Urban centres are more crowded than they used to be.

At one time a bright young Canadian, no matter where he or she lived, if they had the brains, the will-power and the get-up-and-go to grab themselves by their bootstraps and to go out and seek their future in this country, they could do that. At one time they could feel that no matter what their circumstance, no matter what their background, no matter what their family income, if they had the get-up-and-go they could find access to good quality education.

Today, the worst position you could be in if you want to succeed from an education point of view is to be a middle-income Canadian. Your parents make too much to allow you to qualify for student assistance and they probably do not make enough to pay your way, so you are shafted. That equality of citizenship is now gone in this country.

Unemployment insurance, tack that under Bill C-21. It is another dismantling of another national social net, a safety valve. Bill C-32 is not an aberration. It is not an accident. This did not happen by accident. This was not a bill put forward that somebody had not thought through and suddenly said: "Oh my goodness, look what we are doing. It was not our intent to dismantle this country, to tear up the contract that has been negotiated across and among citizens and across provinces, to remove, to withdraw the national government from the fabric of our national life, to sever the threads that hold this patch quilt called Canada together". It was not by accident, it was by design. Bill C-32 is the latest example of that mad design.

Frankly I found it quite amusing in recent months to see the national government dedicate so much of its energy to resolving the constitutional crisis, the "unity crisis in this country", spending millions sponsoring conferences, hiring all kinds of commissions and experts, holding public forums, looking for that hard to find solution to our unity crisis.

Has the government not understood that one of the reasons the will to live together, one of the reasons the joy of being Canadian has disappeared from this country is that it has manoeuvred for many Canadians their government, their country, their sense of sharing in a dream, an opportunity as well as difficulty. They have

withdrawn that from people's lives and Bill C-32 is the latest example of that.

I began by saying that I come from the province of Newfoundland. I hasten to say that I am first and foremost and always a Canadian. I am proud to be a Canadian. I am proud to share in this nation's prosperity. I am proud to share in its opportunity and I am prepared to carry my share of the burden of its difficulties when difficulty comes.

That is why I cannot accept this concept that somehow it is okay to say to Ontario, Alberta and British Columbia that they are "wealthy provinces and we are going to limit the federal government's contribution to social programs, welfare programs to those wealthy provinces. But we are not going to touch you in Newfoundland, so do not worry. It is not your business. It is not your issue. It is not your fight".

I am a Canadian. Newfoundlanders regard themselves in the overwhelming majority, first and foremost, as Canadians. Anything that touches their fellow Canadians, that negatively penalizes their fellow Canadians and in particular those Canadians who are least able to help themselves, affects Newfoundland.

Therefore, I can say with authority, on behalf of the people of my province, that we reject this bill. We challenge members opposite to stand and defend it or to withdraw it.

Nobody knows better than Newfoundlanders this past winter how tough times are in Canada. Nobody knows better than Newfoundlanders this winter that governments are being forced to make hard choices. I have been in communities this winter where the fishery failed this past summer. I went to a meeting at a house and when I went into the house I discovered that the next door neighbours had closed their house down, drained their water lines and moved in to stay with their neighbour because it was cheaper for two families to live in one house than to live in two separate houses. That is the reality of life in some rural Newfoundland communities.

That is the reality in St. Julien's on the great northern peninsula. That was the reality for two families I visited a month ago in the community of Croque. Times are tough, but I did not hear one person say to me that the solution to the problems and the desperation and the human misery and suffering in St. Julien's or in Croque or in St. Anthony or in White Bay or in the Baie Verte Peninsula or in the Bay of Islands, all of them having had a devastating failure in the fishery, that their solution could be found in visiting additional misery upon the poorest of the poor in the provinces of Ontario, Alberta and British Columbia.

The issue here is not dollars and cents. The issue here is not the making of budgets or fiscal integrity. The issue here is a moral issue; it has nothing to do with political ideology. This is not another issue for the ideological battleground between right and left; this is a moral issue.

• (1700)

I would call upon my colleagues, particularly those opposite who contemplate supporting this measure, to examine their hearts and souls and their consciences in this great Canadian winter of discontent, to think about some of the people they met during the last six weeks when we all went back to our constituencies. I hope members were out talking to people. It is not pleasant. I have been here 12 years—that is not long compared to some of my colleagues—but this is the most difficult winter I have seen. It has never been tougher. Misery has never been easier to find, never been harder to escape.

I hope that members will examine their conscience, and I know they will, will speak within their caucus and will convince the government in the current circumstances, in the current bitter recession that Canada is experiencing, the current unity crisis that this country is feeling, that this will not bring our country together. This does not represent justice for anybody. This is not a way to resolve our fiscal problems. This is not how we should balance the books, on the backs of those who can least afford it.

I hope members opposite will see this bill withdrawn. If the government insists on proposing it, putting it, I hope they will find the courage to stand and vote against it.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I have spoken on Bill C-32 at second reading and I was hoping that by this stage the government would have come to its senses. I hope that government members had the opportunity to go around their ridings and contiguous ridings to theirs and speak to the people affected by the legislation about the direction that this government has carried this country over the past years since it was elected in 1984. Perhaps they also spoke to them about the tumble that we have taken since 1988, since the institution of the free trade agreement, the goods and services tax, the clawback, the unemploy-

ment insurance bills. The attack on ordinary Canadians goes on and on and on.

I was hoping that members opposite would have realized the folly of pursuing the course that they have plotted, the course that is shown so clearly as set out in Bill C-32 and the bill prior to that, Bill C-69. Bill C-69 was the coupling, the cap on the Canada Assistance Plan to the 5 per cent level and the cutbacks in the Established Programs Financing to post-secondary education and health care. These went hand in hand. Now they have been separated and Bill C-32 is the continuation of the cap on the Canada Assistance Plan for a further two years.

It has been properly pointed out by the last speaker from Newfoundland that while it supposedly hits the so-called rich provinces of Alberta, Ontario and British Columbia, the point here is not whether it is a have or have-not province, it is the stark fact that what they are doing is once again hitting out at the poor, those who have been impoverished over a period of time, many of them over the last little while. When I talk about the free trade agreement and some of the legislation, there appears to be a constant eroding of our social programs, a constant eroding of the direction that this country has taken over the 125 years since the BNA Act was signed in 1987. I would suggest it is a direction that we in Canada have taken for granted, that we have been proud of as a country. We look at our neighbours to the south and say: "We have come a different direction. We are a different people. We have things within our country, legislation that very clearly makes us stand out, programs that you people look forward perhaps one day in being lucky enough to have".

I have watched rather disheartened by the erosion of all of what I have seen happening over the last while. Bill C-32 is not necessarily an attack on the wealthier provinces, or those provinces that pay more in equalization payments, it is an attack on the people within those provinces.

The fact that they have larger populations, that they have better incomes, does not take away from the fact that they are provinces to which people migrate from other provinces. If we look at the migration between provinces, we see that some of the poorer provinces, in spite of the people not wanting to leave, they are forced to leave. Where do they go? They go to the provinces where they might have the opportunity of finding jobs.

This summer I picked up a person hitchhiking along the road from Newfoundland. He was working in my constituency as a fruit picker. His message was clear: "I'm a Newfoundlander. I love my province but this federal government hasn't done anything to help me get a job and ensure that I can live in my home province, the province that I love. I have to leave the province and look for work. The only work that I can find at this time to keep any food on the table is to pick fruit", an occupation totally foreign to a person coming from Newfoundland. He liked it in British Columbia but he wanted to be home. He wanted to be near his family. He wanted to be in the province where he was brought up. Because of the policies of this government, he had to move from the east coast to the west coast and take a job that was at best seasonal.

Because of the new regulations set out in the Unemployment Insurance Act he would have to work a greater number of weeks for a smaller amount of benefit. He was not sure that he would be able to get an adequate amount of time in fruit picking and other odd jobs throughout the Okanagan to get unemployment insurance.

Where does he turn if he cannot get unemployment insurance or if his unemployment insurance runs out, which it is assured to do before he is able to get another job? He turns in our province of British Columbia to the Ministry of Social Services and Housing. He certainly was a man of some pride and did not like to have what he called a handout. He was used to making it on his own. Yet, this government has forced him to go hat in hand to the government and admit that he cannot make it on his own. It is not a nice prospect for anybody.

• (1710)

What is happening through Bill C-32? I have talked about the migration from other provinces and certainly to the province of British Columbia where the weather is known to be good. In the summertime we have fruit-picking jobs, transient jobs that one can pick up. It encourages those from other provinces who cannot get work to move into provinces where perhaps the winters are a little less severe than in some other areas, where they have the opportunity of picking up jobs and getting a little bit more money for themselves.

However, when they ultimately have to turn to the welfare rolls it substantially adds to the cost and the problems of the provincial governments. They have the choice of adding to the pot and thereby increasing their deficits. We are seeing that happen in many provinces as the welfare rolls go up because of the inability of people either to get unemployment insurance or stay on unemployment insurance for the longer period of time that is required between having a seasonal job or cutting back the benefits. It is not a nice position to be in.

I suggest that what the government is doing, through its policies under Bill C-32, is attacking the very fibre that we have come to know and love in Canada.

I wonder, if I go back to the start of the free trade agreement, how this ties in. I look with some scepticism when the government says: "We are streamlining. We have to cut back". I look at what happened during the election in 1988. At that stage, the government essentially turned its back on the fact that it was running deficits each year. It turned its back on the fact that it had a major national debt to deal with and said: "Our problem is that we have to be competitive on the open market, and the free trade agreement will open up these broad horizons and these markets".

After that the government brought in the legislation in conformity, I would suggest, with some of the things set out in the free trade agreement. It predicted, in some of the arguments made, the cutbacks in unemployment insurance, the lengthening of the time it took to qualify, and the shortening of the period of time it took to get unemployment insurance. Although it promised more money for training because of the jobs that it agreed would be lost as a result of this agreement, that money was never forthcoming. In spite of the promises it made as it made the changes, it turned its back on the retraining of some of the very people it is now affecting by Bill C-32.

The clawback on Old Age Security and Canada pension was an attack on universality. It was the first step in the erosion of these programs, the deindexation of these pensions, the requirement of those above a certain level to pay back what has been paid out to them under the guise that "no, we are not attacking universality. These programs are still universal. Everybody gets them, but we are going to take that money back at the end of the period of time. It is different. It is like a tax". Nonsense. It was the first step in the total erosion of Old Age Security. It was the first step in cutting out family allowances to all people, not just those who were better off. That will be accomplished by the deindexation of those particular programs.

When we looked at the goods and services tax, the arguments made were endless. Some 85 per cent of the people in the country were against the goods and services tax. Yet, would this government listen? No. Once again it turned its back on the people. It closed its ears to what the people were saying and said: "We know what is best for the people of this country. Regardless of what they want, we are going to institute this tax because it will make us more competitive".

Tell one million impoverished children that the goods and services tax and the policies of this government have helped them. Tell those millions of people on the unemployment rolls that the policies of this government have helped them. Tell those millions of people on social assistance that the policies of this government have helped them. Tell them that the free trade agreement has given them those manufacturing jobs they used to have. Tell them that those jobs which are fleeing south are going to come back when we get out of this recession which I suggest is much deeper than this government has or will admit.

The government was told, prior to the institution of the goods and services tax, that a major downturn in the economy was coming and would hit in the fall of 1990 and early 1991. It was not until well into 1991 that the minister finally admitted that we were in recessionary times. The Conference Board of Canada and the treasurer of the Alberta government warned the government that the ramifications of the goods and services tax would be far-reaching and the implications massive for the people of this country.

Unfortunately those words are ringing true now. We have and are in a major recession. We have millions of people out of work. In my area in the Okanagan alone we have never been below the 10 per cent mark. We are always well above the national average on unemployment.

My riding which lies on the border with the United States is affected in a major way, and particularly since the advent of the goods and services tax, with cross-border shopping. People have been chased out of their own country to look where they feel they can get goods and services more cheaply. And the exodus is massive.

I spoke to a young gentleman who had worked some 11 years for a dairy company. He advised me that as a result of people going across the border to purchase their dairy products eight major full-time jobs were being lost and that there were cutbacks of up to 50 people for that dairy across the province of British Columbia.

This cycle has continued. I look at this government's policies with respect to privatization and centralization of services and I wonder what the thinking is. Are we going to close down the rural areas of our country in the guise of competitiveness? In the city of Penticton a number of federal services are affected directly right now because of this government's policies. The Penticton post office, an historic institution, has just been closed down or will be closed down at the end of this week. We cannot get any assurance from Canada Post that the sorting will continue in Penticton and that its historic cancellation stamp will be retained. There are 12 jobs affected by this move, and Canada Post will not give us the assurance that those 12 jobs will not be affected. It will not give us the assurance that we will have a full service facility. In the guise of competitiveness it appears that it is going to take those positions and move them to a nearby city, probably Kelowna or Kamloops.

• (1720)

Those areas are building and building and building. Little areas like Penticton, Oliver, Osoyoos, Grand Forks, and Merritt need jobs. We are losing jobs across the border on a daily basis. Certainly now is not the time to institute these policies of centralizing government services, of shutting down services in small communities.

I look at the VLA office in Penticton, an area that covers the southern part of not only my riding but also of Kootenay West—Revelstoke and Kootenay East. Its central area office is located in the same building in which I have my office. It has over 20 employees who do a good job for the people of the area. Yet once again rumours abound: Will this be shifted out, will this be moved? Mr. Speaker, over my dead body. We will not put up with a constant erosion of the jobs that are available in our small communities, particularly now.

This bill, while looked at as a belt-tightening bill, is once again one that hurts the poor and the middle class. It is a bill that hits the one million poor I spoke of.

Mr. Speaker, look at the submissions that were made before the committee that studied this bill. It is very clear that the long-term effects on the poor and the poverty stricken are major. The National Council of Welfare has recently reported that social assistance rates are still far below the poverty line—

The Acting Speaker (Mr. DeBlois): Order, please, your time is over. On questions or comments, the hon. member for Surrey North.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I listened with a great deal of interest to my colleague's comments. I know before he was elected as a member of Parliament he was a lawyer and did a lot of work in the courts, and I am sure both in juvenile and family court. He is aware that the loss of revenue from this bill in the province of British Columbia will amount to $1.2 billion over the next five years.

Some of the services it will affect are services for children, protection services aimed at the removal, the prevention, the cause and effect of poverty, child neglect, and dependence on public assistance. This would include services like case work, counselling, adoption, homemakers and community development, all of the things that go to protect children, to assist families in functioning better and to deal with family violence.

From the member's experience as a lawyer and working in court, what does he think the impact on services will be with the withdrawal of $1.2 billion over a five-year period? What impact will it have on children and families, from the hon. member's experience?

Mr. Whittaker: Mr. Speaker, I did work in the courts in and around the Okanagan in particular and the boundary country. The areas the member referred to would have touched me directly as I was employed on a contract basis with the province of British Columbia over approximately 11 years. I dealt with protection services, child neglect and family violence on an ongoing basis in the courts. Quite frankly, it frightens me when I think that some of the steps we were slowly getting toward for family protection services, protection of children and battered women, will either stop, slow down or be eroded.

Transfer payments of $1.2 billion over a five-year period of time goes a long way toward assuring the type of protection for many of the families that we saw over the 11 years that I worked with protection services in the province of British Columbia.

The poor and those who are less well off than others are the ones who are hurt directly by Bill C-32. My friend has pointed out a number of areas that I did not hit on that will be directly affected by the cap on the Canada Assistance Plan. The argument has been that it is only a 5 per cent cap, but the fact is that there is the migration that I talked about coming in, and the inflationary rate itself eats up almost 5 per cent. Add to it the migration of those coming from other provinces who have to go on social assistance and turn to some of the benefits provided by the protection services that my friend spoke about, and you have a terrible prospect for these people. You must agree that we are going to end up having to give up some of those services that are so desperately needed in these tough times.

Mr. Karpoff: Last fall the government announced, with a great deal of ballyhoo, a program aimed at family violence in which it was going to spend $1.37 million over five years. At the same time it has taken $1.2 billion away from British Columbia and something like $5 billion away from Ontario. What is the reaction that you are getting in the community to a government that on the one hand says it is going to extend services to the tune of $1.3 million, but then takes several billion dollars away from that same program. The reaction I got was that it was hypocritical, deceitful and a sham. What was the reaction in your part of British Columbia at this kind of shim-shamming on programs?

Mr. Whittaker: Mr. Speaker, I think the member for Surrey North has hit on one of the problems that all politicians end up running into because of what this government has been doing over the last little while. On the one hand it says it believes in something and is going to do a set thing, while on the other hand it picks the pockets of the very people it said it would help originally. He spoke of hypocrisy. Canada signed the ratification of the UN Convention on the Rights of the Child. The convention itself states that "parties recognize the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development". At the same time, Canada's social assistance rates are being eroded by Bill C-32. We look at Canada, one of the wealthiest nations in the world, with over one million children living in poverty. We are only second to the United States in the level of child poverty in the industrialized world. It is no wonder people are looking at the government in disbelief.

• (1730)

Where is the reality? What is happening? On the one hand the government picks our pockets, and on the other hand it says it is going to put something back in our pockets. Well if it put anything in, it makes sure there is a hole in that pocket so it dribbles back out again.

People have become very sceptical of what this government has to say. The government members continue to say that as politicians they are trying to do the best thing. It is this government's policies, both monetary and fiscal, that have eroded the respect that politicians have had in the past. It is this government's inability to hear the shouts and the cries of the people of Canada that has eroded the respect that politicians have had in the past. It is this government's total attitude toward the people of Canada that has eroded that respect that politicians have traditionally had in the past.

Frankly, with what I have seen here since 1988, I have some difficulty respecting the group over there as a whole. Yet I still recognize that individually each and every one of them cares as dearly as I do for their constituents. They get together in this herd mentality and do things that can only hurt the people of Canada. I ask them to reconsider Bill C-32 and stop it now.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Resuming debate. The hon. member for Ottawa—Vanier.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, Bill C-32 is quite straightforward. It has only one clause, whose purpose is to amend the Canada Assistance Plan. This bill proposes extending, from two years to five, the 5 per cent cap on increases in transfer payments under the Canada Assistance Plan. As you know, Mr. Speaker, the cap applies only to provinces that do not receive equalization payments, and I am referring to Ontario, British Columbia and Alberta.

This is a very important bill, Mr. Speaker. Since it affects the very source of our social programs, it will raise a great national debate on the whole subject of social charters, social rights and social services. This worries me, Mr. Speaker, because in the past few years, we have seen a great economic debate on government proposals aimed at restoring the objectives of the political right, in other words, at making the economy less subject to government intervention and more dependent on the private sector.

I have no objection to a mixed economy, Mr. Speaker, because it is part of our system. We are used to that. However, we have a government obsessed by deregulation, free trade and taxation. Remember, we have had at least 32 tax increases from this government since it came to power in 1984. What I find truly appalling, Mr. Speaker, is the fact that so far in this debate on third reading, only one member rose on behalf of government, a minister who spoke for 17 minutes, and that was it. Not a single government member rose to justify the decision made by their government, their political leaders who today are supported by only 10 to 12 per cent of Canadians. And now, without a national debate, without a parliamentary debate, on third reading the Conservative members will rise and vote, that I am sure, to support the government's proposal. That is the kind of silence I do not understand. It is a shameful silence! I urge Conservative members to rise in the House and say why they support this legislation on third reading.

Mr. Speaker, this worries me because I feel, in fact I know, that after what happened in Montreal on the weekend, the debate on social programs will be led by the experts, and this is the government's first initiative. It will impose on Canadians a decision made by 10 to 12 per cent of the population, a decision that will have a dramatic and even terrifying impact on the quality of life of many Canadians.

[*English*]

Who does the Canada Assistance Plan help provinces provide assistance and services for? The needy, Mr. Speaker. The CAP makes it possible for those in foster homes to survive, for abused children to get some care, understanding and help.

The CAP helps women in my riding with children, in homes that are called shelters for abused women. I have several in my riding. It is not easy. The people in there are having a hard time, but the CAP program is there to assist. It assists those people who need training programs. It provides essential living services for disabled persons.

In other words, CAP, Canada Assistance Plan, helps those in need. It is a safety net of the last resort which aids close to two million low income Canadians, our poorest citizens. We all know we have close to 1,400,000 unemployed Canadians today in Canada. That is a shame, but we also have 2,200,000 Canadians on social assistance and that is a shame for this country.

What do we do because we care? We put together a safety net. The Canada Assistance Plan is part of that safety net. This government, by the decision of a very few, is cutting the required resources which the poor people of Canada need.

People will argue that the rich provinces of Ontario, B.C. and Alberta, where equalization payments are not paid, should not be getting as much.

I will tell you that in my riding, the poor are poor. If we say the poor people in Ontario, B.C. or Alberta are not entitled to our preoccupations in terms of helping them, we are indeed in a sad state. We are indeed, as my friend today said, in a society with a warped approach to obligations.

I represent the riding of Ottawa—Vanier, and for those of you who do not know, it is not the richest. It has the lowest family income in the national capital region, but we are not ashamed of the fact that we work hard.

• (1740)

We do not have the high income groups because we did not have the systems in place years ago. I could give a whole historical background as to why poverty in my riding was systemic, why people would continue to live in sometimes low-income and sometimes poor conditions. I was brought up in that milieu. I got out of it basically because there was an understanding in this country of helping people who wanted to help themselves.

In Ontario this year alone a cap on CAP, the Canada Assistance Plan, will cost us $1 billion. Half of Canada's poorest people live in my province of Ontario, in British Columbia and in Alberta—half of them. In effect through Bill C-32 the Tory government is abdicating its responsibility to provide assistance to the poorest Canadians. It is transferring that responsibility to provinces and municipalities that must struggle to find ways to make up for their budget short-falls without jeopardizing their programs.

They had nothing to do with creating this made-in-Canada recession which was created and planned by this government following the free trade deal it made with the Americans. It was a set pattern put in place by people who knew what they were doing. We started being in a recession way before the Americans and we will probably get out of it way after they do.

Some people have said it in the House today: Bill C-32 is a bad bill at a bad time. The evidence of Tory negligence is all around us. I have mentioned the 1.4 million unemployed, I mentioned the 2.2 million on welfare and the more than 1 million children in this country living under the poverty line at this time. We could go on and on bringing forth these very sad situations.

In my view and in the view of my colleagues on this side, the government should let this bill die, acknowledge its disastrous effect and forget about it. We will see. It does not want to debate it. We will see what it will do. Its members do not want to debate it, but maybe they will have the guts to sit down in their places and not vote for it. That will defeat the damn thing.

We recently were given a presentation by the premier of Ontario on TV announcing the terrible news in this province. He said that the recession had cost thousands of Ontarians their jobs, more job losses are likely still to come. This recession brought on and worsened by Tory policies has forced the Ontario government to cut the increase in grants this year to hospitals, municipalities, school boards and universities to 1 per cent. In real terms with inflation factored in, this means job losses and a drop in the quality of service that these institutions offer.

This week the Ottawa region, my region, has had reports of cuts in regional and municipal budgets which would affect programs that help the poorest in our communities. The cut in provincial transfers is estimated to cost Ottawa-Carleton people $50 million to $60 million this year alone just to maintain. It is not to improve, but just to maintain the services.

In September last when I spoke on Bill C-32, the economic situation in this region was terrible. Today, it is even worse. Optimists—there are still a few around—predict an economic turnaround will possibly begin half way through this year. This Tory government blindly pursues this legislation to put a cap on the Canada Assistance Plan at a time when it is forcing more and more Canadians to turn to such assistance.

I will give some stats on that.

One in ten Ontario residents is out of work. The number of long-term unemployed, those who are unemployed for six months, is expected to exceed 121,000, higher than the 1981-82 recession.

The unemployment rate in Ontario now is 9.7 per cent and not expected to drop below 8 per cent until at least the end of 1995, according to the Ontario treasurer. The number of unemployed in Ontario has risen from 331,000 in 1990 to 506,000 in 1991. Ontario has 40 per cent of the 1,100 manufacturing bankruptcies in Canada during the last year. Ontario corporate pre-tax profits are expected to have a decline of almost 30 per cent in 1991 while retail sales are expected to drop by 7 per cent.

The January 1992 issue of the *Canadian Economic Observer* shows that business bankruptcies in Ontario increased from 181,128 in October to 362,138 in November, the most recent month for which statistics are available.

I could go on and on and show the economic distress we are in. The staggering statistics have been provided.

I want to end my comments because I know my friend from Thunder Bay—Nipigon wants to make some remarks tonight and I want to give him a chance to get on the debate. On this side, we have a lot of members who want to speak. We are going to have to share our time so that we can all get on. I understand our concerns, but I cannot understand or accept that silence over there. The members of that Tory government fail to want to debate this important bill.

Therefore, in closing, may I just say that to place a cap on the Canada Assistance Plan is to jeopardize its effectiveness, its ability to help the poorest Canadians, wherever they live.

As the National Council on Welfare remarked in its report earlier this year, the Tories are imposing a limit on a program that was designed to be flexible enough to protect those with no other recourse for assistance. The council is also worried that this cap could postpone long overdue reforms to the welfare system to make it work better.

Confidence in this government is low. I can understand that. Everywhere they turn, Canadians witness and experience the painful fallout of Tory government policies.

For this government, the passage of Bill C-32 may be an objective. It may represent another landmark or checkmark for it. For us it is nothing but right wing agenda for the destruction of Canada as we know it. For Canadians, passage of Bill C-32 will be a sad event.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I am pleased today to be able to speak to the House and bring the concerns of the citizens of Thunder Bay—Nipigon with respect to the bill before us, a bill that was called by the minister today a cap on the CAP, the transfer payment to the provinces, that transfer payment being extended to 1995 and into 1996.

As the last speaker of the day, I would like to compliment the debate on this side of the House today and to reflect, not only to the members of this House, since this is our first day back, but to the people of Canada the feelings we are experiencing about the effects this bill will have.

We had speakers from our side from Newfoundland, Broadview—Greenwood, London East, Leeds—Grenville, Parkdale—High Park, Winnipeg North Centre, Edmonton Southeast and just recently the member for Ottawa—Vanier. They truly reflected the condition of the economy of Canada today and the debate also reflects the distress that some people find themselves in because of this capping procedure.

• (1750)

I would also like to comment just for a moment on the speaker who went before me from my sister riding of Thunder Bay—Atikokan, and not to leave any impression as to what I heard him say about what was happening in the area I come from, Thunder Bay—Nipigon and particularly northwestern Ontario. There is no question that like everyone else in Canada we in northwestern Ontario and Thunder Bay are suffering. Perhaps it is not as much as some of our brothers and sisters in some of the eastern provinces, and perhaps not as greatly as they are in Alberta and British Columbia. In any event, there is no one in Canada today escaping this harsh reality that we find ourselves in because of the economic process.

Let me correct some of the statements that were made in that speech. We do not allow raw sewage to be discharged into Lake Superior. What we do have in Thunder Bay is a primary sewer treatment plant which has been operating for some 20 or 25 years and the necessity is now upon the municipality of Thunder Bay to put in a secondary treatment facility so that the discharge will be free and clear of any effluents whatsoever. That is a $60 million to $70 million cost which will have to be paid for by the municipal taxpayers and hopefully by some co-operation between the provincial government and the federal government.

The infrastructure program that we heard our leader talk about today would go a long way toward helping the community of Thunder Bay and every other community in this country to take care of those vital services that are so sorely needed I am sure in every community in our country.

We do have one paper mill that has shut down. We do have lay-offs in some of the other paper mills. I am satisfied with the paper mills that we do have in Thunder Bay, one of which is the fine paper mill, Great Lakes Forest Products. It has just completed a $50 million expansion and is producing recycled fibre. It is one of the mills in Canada that is state of the art. I am satisfied that in Domtar Nipigon the union and the company are talking about how it can become more competitive so that it can produce paper and its products and its cartons so that it will be more competitive.

I am satisfied also that the mills in Fort Frances and Dryden that produce fine papers and Provincial Paper which produces fine paper and Thunder Bay Mill which produces newsprint are working toward becoming economically a combination between management and unions working together in order to enhance the community.

I am not at all pessimistic about the future of Thunder Bay. I am optimistic that we have this type of co-operation between the parties involved so that we know what the market is out there. I say with the industriousness and the co-operation of all of the people in Thunder Bay that we will be able to meet the challenges ahead of us.

I am glad the Minister of Agriculture is in the House today. I want to compliment him on behalf of the people of Thunder Bay and to congratulate him for just over the weekend completing a transaction with Mr. Yeltsin to supply 25 million tonnes of wheat to the Russian people over the next five years and for granting the $100 million loan that was necessary for the Russian people to buy this grain.

While the minister is still in the House, I want to remind him once more that the traditional ports where the grain is shipped to the Russian market are usually the port of Thunder Bay and the Don River ports. I would hope he would remember that as he completes all of the further transactions that are going to have to be involved with the shipment of that 25 million tonnes of grain through the port of Thunder Bay. I would be available to advise him if he would accept my help.

We find ourselves in an unfortunate dilemma with this legislation here in Ontario. Twelve months ago the Government of Ontario decided that the best fiscal policy was to buy itself out of the recession. As a result, it originally forecast almost a $10 billion deficit which has now been increased, as I understand it, to about $13 billion or $14 billion. It has changed course and just recently decided that it cannot buy itself out of this recession, so it has come to the federal government to ask for mammoth amounts of money in order to relieve the unemployment situation.

What we find ourselves in, particularly in the province of Ontario, is this unholy alliance between the NDP in Ontario and the Conservative Party, which is trying to put a cap on spending. It truly spells disaster not only for the economy of Ontario but for the country as a whole.

This bill is so contentious, it is so harmful, it is so hurtful, it is so odious that the province of British Columbia, in conjunction with Ontario and Alberta, brought this bill, to cap the allowances that they were allowed, to the Supreme Court of British Columbia. They received a favourable ruling. Eventually this bill went to the Supreme Court of Canada and it said that the decision made in British Columbia was non-operable and the decision was reversed.

Although there was some discussion about that—I am glad the Solicitor General is in the House today—if you read that decision, you will find that what the Supreme Court of Canada was saying to us was that it was not going to interfere in the legislative process of this country. The court listened to the argument but I think the obiter of the case, the reading, the tone of that decision was that legislation is the mandate of this House. If you want to have any spending or any other fiscal responsibility with respect to how that money is spent, it does not come under the guidance of the courts. The courts are there to interpret what is said and this House passes the legislation.

I am very glad that in reading that particular decision that a division between the interpretation of the legislation and the legislation itself that was passed is the proper course that we all must follow.

Through no fault of their own, all too many Canadians have been caught in the grip of a very serious recession. I am often prompted by what we have been hearing on television, recession to all of us who have jobs, but a depression to so many in Canada today who have no jobs. This legislation will, in effect, limit the Canada Assistance Plan and will hurt most of the people in Canada who need it.

Payments to the so-called have provinces will be subject to a ceiling not of two years but, as I said, of five years. This is completely unacceptable.

Canada used to be known as a caring society but no one can help noticing the slide toward a society that imposes an even greater burden on the disadvantaged who are among us.

The focus of the bill under discussion has three targets: the provinces of Ontario, Alberta and British Columbia. These provinces have historically been viewed as the have provinces. I was impressed by the comments of our friend from Newfoundland who said that we can no longer look at the provinces in isolation one to the other. We talk about Alberta, British Columbia and Ontario as the have provinces but we will never be a united country unless we look at all of the provinces, realize the needs of each and every one of them individually and pass legislation in this House that is equal and compatible to all. If anyone is hurting in British Columbia, we should have the same care and compassion for that person, that Canadian, as the person who may be hurting in Newfoundland.

• (1800)

I am satisfied with that kind of a philosophy. With the economic union of Canada we can help all Canadians. We should not be looking at provinces as have provinces and have not provinces.

Close to 50 per cent of Canada's poorest families and 54 per cent of all welfare recipients under the Canada Assistance Plan today live in Alberta, Ontario and British Columbia. The government has decided to cap the Canada Assistance Plan right through to the end of 1995 and assumes that payments will grow in proportion to the increase of the Gross National Product.

We all know, Mr. Speaker, from everything that we have heard in this House today that there is not going to be an increase in the Gross National Product in Canada in 1992, so that cap is not a fictitious cap, it is a real cap, and those figures are set. We on this side of the House

will never support legislation that tries to fight the deficit by cutting not only the flesh off the bone but goes to the marrow of the bone itself. It affects every person in need in this country. It affects the essential services for the destitute and those who are truly in distress within our country.

This bill is simply a way for the government to cut a few corners, to shave off a few more dollars. It is unacceptable to the Liberals. Look at who would be affected by the cuts in this act. The list is extensive. First off, in every province, the homes for the aged, the annual contribution made not by the federal government but by the federal government to the province and the province, eventually, down to the municipality.

As we all know, we have a great habit in this country, both provincially and federally, of passing legislation that puts the onus of responsibility for paying for that legislation on to the municipalities, to the real property owners. I do not think there is a municipality around anywhere in this country that can afford any more of those obligations which higher levels of government are forcing them to pay for those services.

I see, Mr. Speaker, that my time has run out. The House is to adjourn. I understand I will get some time tomorrow morning.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

THE MINT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the strike at the Royal Canadian Mint in Ottawa and Winnipeg has gone on for far too long. The Minister of Labour took far too long to get involved and to carry out his obligations to support good labour relations in this country.

Employees were on strike over Christmas in some of the worst freezing weather that this city has seen in many years. It was even worse in Winnipeg. They are still on strike today. The demands of the workers are not unreasonable, they are simply asking for the same treatment that their managers at the Mint have already received.

The 1990 profits at the Mint were $10.4 million. That money helped reduce the deficit and produced revenues that benefited taxpayers. These revenues are in jeopardy because of the strike that has been going on for over four months in Winnipeg and two months in Ottawa. The Mint's every day treatment of its managers is costing taxpayers money, paying for free lunches, free parking and free vans to transport them into their place of work. It is costing money by paying for the storage of gold outside of Mint property. It is flying Ottawa managers to Winnipeg and back on a regular basis. This is costing taxpayers money because all of this comes off the profits of the Mint, which reduced borrowing requirements for the Government of Canada last year to the tune of over $10 million.

Every day the Mint strike continues is costing us money, jeopardizing foreign contracts and the quality of products for which Canadians have become known. It is unconscionable that those who are responsible for this situation have given themselves increases of up to 8.5 per cent but refuse more than a 3 per cent increase for the people who produce those revenues for the people of Canada. It is unconscionable that a government that approves full cost of living increases for judges making eight times as much as many of these Mint workers directs the Mint's management to get tough with employees.

Nobody can understand why people earning higher salaries, the managers in this case, can give themselves double increases over what they are prepared to give their employees, especially when the cost goes directly to the taxpayers. These employees are not a drain on the public purse. They are making money for Canada that helps reduce the tax burden and cuts the need for government borrowing, again by over $10 million a year.

All they are asking for is fair treatment. We hope that the strike will be over as of tonight. We plead with the government to please intervene and make sure the quality of production at the Mint is maintained and that people are back to work with a fair salary and fair treatment after the strike is over.

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I would like the hon. member for Ottawa West to know there have been several developments in this labour dispute since her December 9, 1991 intervention.

The hon. member will be aware that a mediator was appointed to assist the parties on December 13, 1991, following a formal request for mediation assistance from the employer, as the minister mentioned he would do.

The mediator met with the parties December 16 and 17 but there was no agreement forthcoming.

Mediation meetings resumed on January 16, 1991, this time at the request of the union. As the minister mentioned, the representative parties should ask for the mediator to intervene. After three days of intensive negotiations the Mint made an offer which the union agreed to put to a vote of the union membership on January 20. The offer was rejected by the union membership and the work stoppage is continuing.

The parties subsequently met directly on January 24 and 25 but unfortunately their discussions did not lead to an agreement.

As a result of further discussions the union membership is to vote this evening on a further management proposal. We understand the union bargaining committee will recommend acceptance of the proposal to the union membership and if ratified all bargaining unit members in Winnipeg and Ottawa would be recalled to return; in Winnipeg, within 48 hours and in Ottawa within the next two or three days.

We want to thank the member for her interest. Certainly we are interested in seeing an end to this work stoppage in the very near future.

FERRY SERVICE

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, it is a pleasure for me to bring up the concerns of my constituents before the House. The issue today arose from a question I asked the Minister of State for Transport last October concerning the Wood Islands ferry service in my riding. This is a very important link to the mainland and I would like to give the House a little more information on the issue.

In May 1988 the then Minister of Transport flew to Prince Edward Island to announce that a new ferry would be built for the Wood Islands–Caribou crossing, and that the ferry would be in place for 1990. However, it seems that as soon as P.E.I. sent four Liberal MPs to Ottawa the government started dragging its feet.

After I sent numerous letters to three Ministers of Transport, the government finally awarded a contract for a new ferry to be delivered only three years behind schedule. In late September the Minister of Transport responded to a letter I wrote raising certain questions about the impact the fixed link would have on the Wood Islands ferry service. Specifically I asked that there be no reduction in the operating subsidy for the service and that the government give a permanent commitment for the continuation of the ferry service.

In his letter the minister said, and I quote: "I am unable to make a permanent commitment for the continuation of the Wood Islands—Caribou ferry service". He went on to say that no hasty decisions would be made. In that context I asked the Minister of State for Transport for an assurance for a permanent ferry service from Wood Islands, P.E.I. In her answer the minister said: "I would not make a permanent promise of this. I promise to look into it".

Simply put, promises to look into it are not good enough. The government should not be looking into it at all. The government should come clean and give the people of Prince Edward Island and the people of Cardigan the guarantees they need in order to plan the financial future for eastern Prince Edward Island. How can people plan businesses that require transportation services when the government will not say if the service will be there in 10 years' time?

We are at a crossroads in P.E.I. right now. The government has accepted three proposals for the construction of the fixed link. After Public Works does a cost analysis and accepts a bidder, construction on the fixed link will begin. The Government of P.E.I. has stated clearly that it has 10 conditions that must be met before the final approval of this project is given.

Before the federal government awards a contract I think there are at least three requirements that must be met. The Wood Islands—Caribou ferry services must be maintained and updated, which means there will be no decrease in the operating subsidy.

Fishermen must be duly compensated for any loss caused by the construction and the operation of the fixed link. The federal government must ensure that the over–all environmental impact will be kept to a minimum.

These are my concerns as the member of Parliament for Cardigan. When the minister answered my question in October the response was unsatisfactory. I hope the response from the government this time will go further to ease the concerns of my constituents and give us some assurance that we will have a connection with the mainland.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the ferry service between Wood Islands, P.E.I. and Caribou, Nova Scotia has been operated by Northumberland Ferries Limited

during the ice-free season between May and December for about 50 years now.

The operation of the ferry service is subsidized by the federal government because it recognizes that the service is an important alternative to the service required under the Constitution that is operated by Marine Atlantic Inc. between Borden, Prince Edward Island and Cape Tormentine, New Brunswick. The Government of Canada clearly recognizes the importance of the Wood Islands—Caribou ferry service to the economy of the eastern part of the Island.

The federal subsidy for 1991-1992 will be in the range of $7.5 million. In addition, as the member has just noted, the federal government has awarded a contract valued at close to $43 million to Pictou Industries Ltd. to construct a new 200-car ferry for the service.

Funding has also been provided and work has begun on the redevelopment and modification of the related terminal facilities. The need for this investment was justified on the basis of traffic congestion during the peak summer period and the age of the existing ships.

The level of service offered is a reflection of the demand. Northumberland Ferries Ltd. provides over 7,000 single crossings per year, 2,000 more each year than there were 10 years ago. A service in the future will continue to be reviewed and adjusted based on the traffic needs.

The federal government is not presently considering any modification to the Wood Islands—Caribou service because of a fixed link. It would not, however, be appropriate for a fiscally responsible government to make any unconditional government commitment to subsidize the service in perpetuity before the actual impact of a fixed link on the ferry's traffic can be seen.

THE CONSTITUTION

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, on December 3, 1991, last year, I asked the Minister Responsible for Constitutional Affairs about the apparent flip-flop of the government on the question of a national referendum on the Constitution. The minister replied at that time and suggested that regardless of all the conversation and conflict in the newspapers about where the government stood on the national referendum, in time the government would be prepared to have a mechanism of consultation with Canadians.

That was in December. We have had the Christmas recess and there has not been a member home listening to constituents and taking the pulse of his people who has not come back to this House knowing that while the Constitution is very fundamental, the question of any constitution at the moment is sort of in a state of paralysis. The public at large is stunned with the smorgasbord of constitutional committees, constitutional consultations, constitutional reports, constitutional conferences, studies, et cetera. The public at large is more preoccupied with the economy and really is not all that happy about anything regarding the Constitution.

We as parliamentarians have to address that because there are certain constitutional clocks ticking. It is only because of this parliamentary procedure that we have where you get an answer to a question and then the member who asked the question has four minutes to elaborate, and then there is supposedly a two-minute response, that you can even have this procedure. In the six minutes allowed, you obviously cannot get into the debate on the detail of all the rights and wrongs of constitutions, let alone the problems with a referendum.

Even though this is the cosy winter of Canada coast to coast, and certainly where I come from we are still dug into a large snowdrift, the people have time to watch TV, and are very much aware that 1992 is the year that is a sort of "high noon" for constitutional decisions. This government is going to have to give effective national leadership—not leadership in regions, but national leadership—on all constitutional questions, including the question of the referendum.

Old Shakespeare said somewhere in one of his plays that the question was "to be or not to be". The time for Canadians to wonder what this government stands for on the fundamental question of a referendum is over, and it is "to be" or at least the mechanism. It has to be either a referendum or, I would suggest, even an election. I know there are a good many sincere people, many good colleagues of ours, who are studying this in a more exhaustive way before the parliamentary committee now. They will be coming in with their report toward the

latter part of February, and that is really when "high noon" is going to start to take a focus.

In the few seconds left to me, I would suggest to the government that it get its act in order. It must give some attention and priority to the economy so that Canadians from coast to coast appreciate, as we have up until now, our social programs, especially the medicare program, which as a benefit is part of our heritage. I am not going to get into that because I do not have the time for social charters, and I have some real questions as a lawyer about constitutionalizing social charters. But certainly in a pragmatic way we can accentuate the positive in this country from coast to coast. One of the positives has been our social net and our social programs for Canadians who cannot help themselves, and even for all Canadians to have the benefit of a medicare program which came in while I was a member. There were even members in the House then who thought there should not be a medical program. The then premier of Ontario, Premier Robarts, said they would never go ahead with it, and they did because members decided medicare was something for Canada.

I say in conclusion, Mr. Speaker, that in coming to the finality of a constitution—

The Acting Speaker (Mr. DeBlois): Order, please. Your time is over.

[*Translation*]

The Hon. Parliamentary Secretary to the President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs has two minutes.

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Mr. Speaker, I realize that my colleague has many questions. I probably cannot answer all his questions, but I know his concern about the referendum.

Mr. Speaker, it is here in this House of Commons that we will have to work to find a solution. The minister is certainly not ruling out any consultation procedure, as was stated in the Speech from the Throne. We promised to ensure that Canadians could take a more active part in constitutional development. The minister answered at the time that one of the ways that the government was still considering to fulfil its commitment made in the Speech from the Throne was to hold a referendum, but the decision is far from being made.

• (1820)

My colleague mentioned the social charter and so on—the public consultations now going on open new horizons for us and suggest new approaches. A consultation was held in Montreal on the weekend as part of the five major constitutional conferences; another one will be held in Toronto next weekend and finally one in Vancouver. This was preceded by the Spicer commission which everyone has heard about. We did not hear only negative things during that commission—on the contrary. There was the Beaudoin-Edwards committee; now there is the Dobbie-Beaudoin committee. Mr. Speaker, all this will lead us to make a decision; it will not be decided in a referendum but here in the House of Commons.

Some Canadians have put us on notice. Bill Davis, Allan Blakeney and Maurice Sauvé have warned us against deciding on the method of consultation too quickly. I repeat what Maurice Sauvé said:

[*English*]

"Everywhere in this country people expect Parliament to come up with a solution. They want members of Parliament to assume their responsibility. It is yours. You are representing all of Canada, all of it. Nobody can replace you. You can have constituent assemblies. You can have all sorts of other forums. It is you who has the responsibility. Because of this you must come up with a package supported by everyone".

[*Translation*]

We must take action that will unify Canada and lead to reconciliation.

[*English*]

TRADE

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I am rising tonight to follow up on a question I put to the Deputy Prime Minister back on October 3 on a very important issue, the softwood lumber tariff issue that has an impact on virtually all of Canada and the many communities throughout the country dependent on the forest industry. This question relates to the ongoing trade dispute with the United States over our softwood lumber exports to the U.S. and the American allegation that we unfairly subsidize our

lumber exports and that it is causing injury to the American lumber export market in the United States.

My question was really twofold back in October. The first question was: Given that the government, albeit late and at the cost of thousands of jobs, was slow to respond in getting Canada out of the softwood lumber tariff, we have done that and we are now in a long process of hearing back from the Americans on just what their decision is going to be on this issue.

We already had one ruling in December that was against Canada. The second ruling which has been delayed now until February 25 will be important as well. This process will go on until May.

The first part of my question is related to assurances from this government that it will be aggressive in protecting Canada's sovereignty in our forests.

The second part of the question is related to legislation that was actually brought in by this government to implement this tariff. It was a question about the Softwood Lumber Products Act and what the intention of the government was on this legislation, if it was needed and if it was going to be continued. I think the point is that Canadians, particularly those who live in communities and work in the forest industry, need to see a definitive and aggressive response from this government to protect our interests and to ensure that the Americans do not walk all over us.

We do not want a situation again like the one that happened in 1986 when this government and its friends in British Columbia, the then Social Credit government, basically sold out our forests. I hope to hear from the government tonight that it will be aggressive in defending our forests and to have some indication from the government as to what it intends to do with the Softwood Lumber Products Act.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, as my colleague the Parliamentary Secretary to the Minister for International Trade noted in the House on December 3, 1991, the government's priority has been and will continue to be to develop in close co-operation with the provinces and the industry the best possible defence against the U.S. subsidy allegations.

There is no subsidy for Canadian softwood lumber. A GATT panel has been established to confirm our view that stumpage does not constitute a countervailable subsidy to Canadian lumber producers. The panel has also been asked to confirm that the United States did not live up to its international obligations when it self-initiated the investigation and imposed a bonding requirement on Canadian lumber exports.

Finally, we have asked the panel to determine that log exports controls do not confer a countervailable benefit under international trade rules.

With respect to the repeal of the Softwood Lumber Products Export Charge Act, the government intends to repeal the legislation as soon as possible. All provinces are being zero-rated retroactively to October 4, 1991. We expect that the act will be repealed in its entirety within weeks.

With respect to questions posed by the United States, a number of questions were raised in the course of consultations which took place following our decision to terminate the softwood lumber memorandum of understanding. Much of the information contained in the response to those questions was provided by various provincial governments. We would have to seek the permission of those provinces to release this information.

I conclude by restating the government's commitment to fighting and winning this case and to reiterate our confidence that Canada-U.S. lumber trade will be put back on a normal basis. We will continue to work closely with the provinces, including the province of British Columbia, and the industry toward winning this case.

I would also remind the members of the House that the results of this action will be subject to binding binational panel review under the free trade agreement. This option was not available to Canada in the 1986 countervailing duty investigation before the free trade agreement.

CIGARETTES

Mr. Jim Karpoff (Surrey North): I wish to follow up on a question I asked at the end of November concerning the export of Canadian cigarettes and the smuggling back of those cigarettes into Canada.

The RCMP has estimated that it is now a $500 million business. In the first nine months of last year the export of Canadian cigarettes has doubled. Most of these are being smuggled back into Canada, partially by organized crime.

The export price on cigarettes is about $14. The retail price in Canada for the same carton of cigarettes is in excess of $40.

Canada has been one of the most successful countries in the world at reducing tobacco consumption. This made tremendous savings to our health care system and saved the lives of a countless number of Canadians. In spite of that, every year 38,000 Canadians die of tobacco related diseases. There is a loophole and that is the low price of cigarettes being exported out of the country and then smuggled back in. The impact is a loss of $350 million in revenue to the government and our health promotion program of reducing tobacco consumption is being undermined.

Myself and other people and organizations including the Canadian Cancer Society, the Canadian Centre for Substance Abuse, and the Canadian Medical Association are calling for an export tax of $10 a carton on tobacco products. This would mean that it would be uneconomical to smuggle those back into Canada to circumvent our health promotion programs and our taxation.

We cannot understand why the government did not plug this loophole immediately. We can only speculate it is because of the influence of its friends in the tobacco industry, including Bill Neville. They are putting tremendous pressure on this government to erode its anti-tobacco campaign. We are anxious that this government not capitulate to the multinational tobacco corporations by not putting on an export tax. I trust the hon. parliamentary secretary will get up and inform the House that there will be an export tax and there will be no reduction of taxes on Canadian cigarettes.

In addition to the export tax, we are asking that labelling be strictly enforced so that it is very obvious when exported cigarettes are brought back into Canada.

It is important for the health of Canadians, for the reduction of government expenditures on health care, that this loophole in its good anti-tobacco campaign be immediately plugged.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I thank my colleague for his question. The government is of course aware of representations by certain groups that an export tax be imposed on cigarettes as a means of discouraging smuggling of these products.

This is one of a range of possible approaches to address this problem. The government is addressing this issue through several mechanisms. For example, in 1989, it introduced a number of measures designed to deter the smuggling of tobacco products. These measures included improving the legislative provisions relating to the marking of tobacco packages to identify more clearly tobacco products for the domestic market which are subject to duty and tax and those for export which are not subject to duty and tax.

Mr. Speaker, the penalties imposed under the Excise Act for selling tobacco products on which excise duty and tax have not been paid were also increased substantially at that time. More recently, the Minister of National Revenue has been working with the police authorities concerned in an effort to develop better strategies to counter the problem of cigarette smuggling.

Finally, Mr. Speaker, the government has initiated a review of the legislation which imposes excise duties and taxes on tobacco products. One of the key aspects of this review will be to examine whether further steps should be taken to reduce cigarette smuggling. The hon. member may be assured that his representations for imposition of an export tax on cigarettes will be considered in the course of this review.

[*English*]

The Acting Speaker (Mr. DeBlois): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.29 p.m.

HOUSE OF COMMONS

Tuesday, February 4, 1992

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 17 petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

POINT OF ORDER

MINISTERIAL STATEMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, I rise on a point of order. I simply seek your guidance on whether or not the Minister of the Environment should be making a statement as Minister of the Environment in relation to the alarming announcements of the observations of atmospheric decline over the northern hemisphere that were made yesterday, with a 35 per cent decline in the ozone layer. This is extremely alarming, Mr. Speaker. As you know, each 1 per cent decline in the ozone can be accompanied by a 4 per cent increase in skin cancer. I believe there is a responsibility on the Minister of the Environment to indicate to this Chamber and to Canadians exactly what he and the government intends to do about it.

• (1010)

[*Translation*]

The Acting Speaker (Mr. DeBlois): The issue raised by the hon. member is a very important one. However, I think it would be more appropriate to raise it during Oral Question Period this afternoon. When the hon. member wishes to question the Minister of the Environment, he will have an opportunity to do so. I suggest he take advantage of that opportunity.

* * *

ASIAN INTERPARLIAMENTARY ORGANIZATION

TABLING OF REPORT OF TWELFTH GENERAL ASSEMBLY

Mr. Gilbert Chartrand (Verdun—Saint-Paul): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the report on the Twelfth General Assembly of the AIPO, held in Bangkok, Thailand, from November 18 to 23, 1991.

* * *

[*English*]

PETITIONS

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour to present a petition on behalf of a number of constituents, and I mean a large number of constituents, pages and pages. I have not counted them, but there must be at least a few thousand here.

There is an ongoing concern about what the goods and services tax is doing to them personally, their families, their businesses. They say it is literally the death knell in terms of the local economy in Kamloops. They are asking the government to, for goodness sake, at this last gasp as we begin the new year do the right thing, send some symbol of hope and withdraw this dastardly tax.

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): On another issue, Mr. Speaker, a number of constituents from British Columbia have heard the announcement that a firm is requesting approval to divert the North Thompson River into a variety of channels and eventually down to the Los Angeles area. They are saying to the Canadian government: "Please stand up and say on behalf of Canadians that our rivers are not for sale".

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): On another matter unrelated to the previous petitions, a large number of petitioners from Kamloops are concerned about the rumours they hear that the government plans to freeze RCMP funding on an ongoing basis. They want to ensure that law and order is upheld. They are asking the federal government to ensure that the RCMP is adequately funded.

VIOLENT CRIME

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise to present a petition from a number of people, primarily in the Windsor, Ontario, area. They humbly pray and call upon Parliament to pass legislation establishing mandatory minimum sentences for all violent crimes which would apply uniformly to all regions of Canada.

This petition has been duly certified by the Clerk of the House.

TELECOMMUNICATIONS

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, my petition is from a number of British Columbians living in rural areas who are urging the Minister of Communications to oppose Unitel's bid to compete with Canada's telephone companies in long distance service. They are urging the minister to consult with rural communities and those people who live there as to the effects of that kind of deregulation, and they are asking the minister to hold hearings in their communities regarding that matter.

HOUSING

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have a petition pursuant to Standing Order 36 from over a hundred residents of Thunder Bay who are asking the government to reduce the down payment on homes from 10 per cent to 5 per cent, which was done yesterday, and stating that they continue to support the policies of Canada Mortgage and Housing.

TAXATION

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I rise today to present some petitions from my riding. The petitions are from constituents who continue to urge this government to reconsider its approach to tax reform in this country. Having gone through the Christmas season where the GST has just caused disaster after disaster for small and medium-size businessmen, we now have proof positive that it is not working. They are humbly asking this House to cancel the GST.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the following questions will be answered today: Nos. 127, 144, 178, 180, 181, 184, 186, 190 and 201.

[*Text*]

Question No. 127—**Mr. Waddell:**

> Since July 1, 1990, were there any (*a*) meetings (*b*) telephone conversations (*c*) other communications between the PMO, PCO and FPRO and the Business Council on National Issues on the subject of the Constitution and, if so, (i) what were the dates of these contacts (ii) who took part in the meetings (iii) was there an exchange of documents and, if so, what were they?

Right Hon. Joe Clark (President of the Privy Council for Canada and Minister responsible for Constitutional Affairs): Insofar as the Prime Minister's Office, The Privy Council Office and the Federal-Provincial Office are concerned:

As part of its broad strategy of consultation on unity issues outlined in the May 13, 1991 Speech from the Throne, the government has developed a program of ongoing consultations with provincial government and non-governmental organizations. In this context, between July 1 and September 30, 1991, officials involved in the unity process consulted extensively with a wide range of non-governmental groups, such as volunteer organizations; academia; aboriginal groups such as the Inuit Tapirisat of Canada and the Assembly of First Nations; business organizations including the Business Council on National Issues, and the Canadian Federation of Independent Business; and labour organizations, such as the Canadian Labour Congress.

The objective of the consultations with non-governmental groups was to obtain their views on key constitutional issues. In this regard, governmental officials received a variety of speeches and position papers from organizations such as the BCNI and held general discussions with them.

In addition, as part of this ongoing process, a number of these groups, including the BCNI, were provided with copies of the government's Unity Proposals after their release on September 24, 1991.

Question No. 144—**Ms. Callbeck:**

Since November 1988, has there been any government expenditures to assist individuals, business and industries negatively affected by the Canada—U.S. Free Trade Agreement to adjust to the agreement and, if so, (*a*) how much money was spent (*b*) under which programs was the money spent?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): I am informed by Industry, Science and Technology Canada and Employment and Immigration Canada as follows:

The advice which the government received from the Advisory Council on Adjustment was that no free trade agreement-specific adjustment programs were necessary. The council, made up of labour and business representatives, was established to examine adjustement issues arising from the Canada–U.S. Free Trade Agreement (FTA). It noted that close to 400 programs were already in place and concluded that FTS–specific programs would be "unworkable" since it would be impossible to determine which workers and businesses were affected by the FTA and "unfair" as it would create two classes of workers or firms.

In light of this evidence, the government has continued to use existing programs to facilitate adjustment and foster international competitiveness rather than to create FTA–specific adjustment programs.

Employment and Immigration has long had programs in place to assist individuals, businesses and industries negatively affected by structural adjustments in the Canadian economy.

a) Since 1988, Employment and Immigration has spent approximately $5.2 billion providing training and adjustment assistance to Canadians and their employers.

b) Since November 1988, Employment and Immigration Canada has delivered this training and adjustment assistance through the following programs: Job Development, Job Entry, Skill Shortages, Skill Investment, Community Futures and Industrial Adjustment Service. These costs also include the Developmental Uses of the Unemployment Insurance Program which include Work Sharing (Job Creation), Training (Income Supporty), Training (Course Costs/Supplementary Allowances) and Self–Employment.

Question No. 178—**Mr. Blenkarn:**

Does the government pay provincial sales taxes and, if so, how many dollars in sales taxes were paid to each province in the fiscal year ending March 31, 1991?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Prior to 1991, the federal government had reached agreements with all the provinces, except for Saskatchewan and Alberta, whereby each government agreed to pay the other's sales taxes, or an equivalent amount in lieu of taxes. Alberta had no sales tax, and the government did not pay the provincial sales tax in Saskatchewan. With the coming into force of the GST, new agreements were reached with all the provinces, except for Alberta which still does not have a sales tax, whereby neither order of government would pay the other's sales tax. Please refer to the attached annex for the specific amounts of provincial sales tax paid to each province pursuant to the former agreement from April 1, 1990 to December 31, 1990.

ANNEX

Provincial sales taxes paid by the government in the fiscal year 1990-91

Province	Central sales tax payment[1]	Departments sales tax payments[2]	Total sales tax payments
	$	$	$
Newfoundland	10,044,000	1,355,945	11,399,942
P.E.I.	3,861,000	323,716	4,184,716
Nova Scotia	21,714,000	3,385,653	25,099,653
New Brunswick	23,724,000	2,187,932	25,911,932
Québec	46,632,000	5,232,116	51,864,116
Ontario	104,847,000	17,026,356	121,873,356
Manitoba	12,303,000	3,158,906	15,461,906
British Columbia	15,390,000	4,202,728	19,592,728
Total	**238,515,000**	**36,873,349**	**275,388,349**

1. Payments made by the Department of Supplies and Services on behalf of the other Departments.
2. Actual amounts paid by each Department are not yet available, estimates were made based on amounts paid in previous fiscal years.

Question No. 180—**Mr. Blenkarn:**

Does the government pay automobile licence fees to the provinces for federally owned vehicles of all nature operated within a province and, if so, how many dollars in licence fees does the government pay to each of the provinces in the year ending March 31, 1991?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Prior to 1991, the federal government had reached agreements with all the provinces, except for Saskatchewan and Alberta, whereby the federal governments paid an amount in lieu of the automobile licence fees to participating provinces for the federally owned vehicles operated within these provinces. The government did not pay Alberta's and Saskatchewan's licence fees. With the coming into force of the GST, new agreements were reached with all the provinces, except for Alberta, whereby the federal government pays provincial licence fees in each participating province, exept Alberta, it does not pay automobile licence fees in this province. Please refer to the attached annex for the specific amounts of automobile licence fees paid to each province pursuant to these agreements, for the year ending March 31, 1991.

ANNEX

Provincial automobile licence fees paid by the government in the fiscal year 1990-91

Province	Central licence fees payment[1]	Departments licence fees payments[2]	Total licence fees payments
	$	$	$
Newfoundland	200,423	Not applicable	200,423
P.E.I.	28,590	1,375	29,965
Nova Scotia	223,265	7,520	230,785
New Brunswick	310,790	16,092	326,882
Québec	1,834,139	24,640	1,859,224
Ontario	1,348,139	Not applicable	1,348,139
Manitoba	139,192	20,150	159,342
British Columbia	472,454	24,522	496,976
Total	**4,557,437**	**94,299**	**4,651,736**

1. Payments made by the Department of Supplies and Service on behalf of the other Departments.

Question No. 181—**Mr. Boudria:**

With respect to Studio D of the National Film Board (*a*) since April 1, 1985, what is the total amount of funding for its operation (*b*) what is the amount of funding spent on production preparation and distribution of films in the "Women and Spirituality" category (*c*) what was the total amount spent on (i) production (ii) preparing (iii) other costs associated with the production of the film "The Burning Times"?

Hon. Perrin Beatty (Minister of Communications): This matter has been brought to the attention of the National Film Board (NFB). We are informed as follows:

a) total NFB allocations to Studio D from April 1, 1985 to fiscal year beginning April 1, 1991*: $14,927,807;

b) Total cost of production, preparation and distribution of films in the "Women and Spirituality" series (Goddess Remembered, the Burning Times, and Full Circle): $1,785,212;

c) The cost of production, preparation and distribution of the film, The Burning Times: $578,481

* Fiscal year 1991–92 is based on initial allocation.

Question No. 184—**Mr. Harvard:**

Why, in calculation of total non–refundable tax credits for the 1990 tax returns (line 314 in the Guide), does the $1000 credit exclude pension incomes paid under the Old Age Security Act or any similar provincial programs, the Canada Pension Plan, Quebec Pension Plan or Saskatchewan Pension Plan and what is the rationale for such a policy?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): The $1,000 pension income credit was introduced as a means of protecting pensioners from the effects of inflation since few private pension plans provide more than partial inflation protection. This credit is one of several government measures designed to be of principal benefit to elderly Canadians.

All Canadian seniors are guaranteed a basic level of income through the Old Age Security (OAS) program, the Guaranteed Income Supplement (GIS), and the Spouse's Allowance (SPA). In 1991–92, the federal government will spend about $18.9 billion providing benefits to seniors through these programs.

A basic level of earnings replacement is provided for working Canadians by the Canada and Québec Pension Plans (C/Qpp).

In 1992, the basic personal credit will exempt from tax the first $6,456 of income for all taxfilers. For all Canadians over the age of 65, the age credit will exempt an additional $3,482. In 1992, the age credit will cost the federal government about $1.1 billion in foregone tax revenues.

The federal government also provides tax assistance for retirement saving through the deferral of tax on contributions to registered pension plans (RPPs) and registered retirement savings plans (RRSPs), as well as the investment earnings in these plans. These tax concessions are estimated to cost the federal government $6 billion per year in foregone tax revenue.

Benefits provided to Canadian seniors under the OAS and the C/QPP are fully indexed for changes in flation. In addition, the tax system already provides substantial benefits to Canadian seniors at a large revenue cost to the federal government. For these reasons, there is no need to provide further tax relief for OAS and C/QPP benefits under the pension income credit.

Question No. 186—**Ms. Callbeck:**

Is plant and animal health as it pertains to a quarantinable disease the responsibility of the federal government and, if so, (a) what precisely are the federal responsibilities, (b) under what regulations or legislation can they be found?

Hon. Bill McKnight (Minister of Agriculture): Yes, the Plant Protection Act and the Health of Animals Act are both federal legislation.

a) **Animal Health:**

Depending on the disease and its science, these responsibilities involve investigation, inspection, testing, quarantine, ordering destruction, awarding compensation, cleaning and disinfecting, and sometimes treatment.

Plant Protection:

The reponsibilities are to enforce control and eradication regulations and inspect plants and plant products, by prohibiting movement, ordering treatment, destruction and removal from Canada of plants and plant products which have or are suspected to have quarantine pests. Agriculture Canada is not obliged to control or eradicate a pest. Any control or eradication action usually is carried out upon a balanced consideration of economic benefits and costs.

b) **Animal Health:**

These responsibilities and authorities are found in the Health of Animals Act and Regulations.

Plant Protection:

These responsibilities and authorities are found in the 1990 Plant Protection Act and Plant Quarantine Regulations.

Question No. 190—**Mr. Milliken:**

Does the Government financially contribute to the Canadian International School in Hong Kong and, if so, what has been the amount of the contributions during the current and three prior financial years?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Canadian International Development Agency, External Affairs and National Defence did not make any financial contributions to the Canadian International School in Hong Kong.

Question No. 201—**Mr. Wappel:**

What are the Canadian Broadcasting Corporation's specific policies and guidelines with respect to the personal use of its assets and equipment by employees?

Hon. Perrin Beatty (Minister of Communications): This matter has been brought to the attention of the Canadian Broadcasting Corporation (CBC). We are informed as follows:

CBC's capital assets are sometimes relocated to sites off the corporation's premises, both temporarily and on a continuing basis, either in order to facilitate operational efficiency or on loan to employees or others. The policies which govern such relocations are:

a) The relocation of capital assets to sites off CBC premises must be authorized in writing and supported by appropriate written records.

b) Network/regional heads, or officers acting with their approval, must issue the authorization, ensure that the relocations are documented, and put into effect adequate arrangements for the ongoing safe custody of the equipment involved.

c) If the relocation is occasioned by loan to an employee, the authorizing officer must obtain from the borrower a signed receipt and a guarantee that any loss will be reimbursed and any damage repaired at no cost to the corporation.

d) To the extent possible, the continuing existence of capital assets located off CBC premises must be physically verified by periodic inventory checks, in the same manner as for assets located in-house.

e) The capital assets sub-ledger must indicate assets are off-premises.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, if question No. 119 could be made an Order for Return, the return would be tabled immediately.

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House that Question No. 119 be deemed to have been made an Order for Return.

Some hon. members: Agreed.

[*Text*]

Question No. 119—**Mr. Dionne:**

For each year since 1969, what is the amount of government purchases from (a) each province or territory (b) each foreign country?

Return tabled.

* * *

[*English*]

STARRED QUESTION

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, would you be so kind as to call Starred Question No. 167.

Mr. Speaker, due to the length of this response, I ask that it be printed in *Hansard* as if read.

[*Text*]

*Question No. 167—**Mr. Saint-Julien:**

With regard to call for tenders no. 3911-0718-1, project no. 628233 by Public Works Canada, (a) at what date was the call for tenders published in the newspapers and, if so, which ones (b) at what date were the tender documents available in the offices of (i) Association de la construction in Montreal (ii) Association de la construction in Anjou (iii) Association de la construction in Rouyn-Noranda (iv) A.P.C.H.Q. in Val d'Or (c) were there any tenders and, if so (i) which ones (ii) what was the amount of each tender (d) was the contract awarded and, if so, to whom was it awarded?

Hon. Elmer M. Mackay (Minister of Public Works):

(a) 1. (F) Journal Constructo—1991-10-17
2. (E) Daily Commercial News—1991-10-17
3. (F) Les Échos Abitibiens—1991-10-22
4. (F) La Frontière—1991-10-22

(b) (i) Construction Association in Montreal -sent by Purolator -1991-10-11
(ii) Construction Association in Anjou -sent by Purolator -1991-10-11
(iii) Construction Association in Rouyn-Noranda -sent by Purolator -1991-10-11
(iv) APCHQ in Val d'Or -sent by Purolator -1991-10-11

(c) (i) Construction C.P. Inc., 1663 Boulevard St-Paul, Chicoutimi, Quebec
(ii) $225,994.

(i) Installations G.M.R. Inc., 745 Route de l'Église, St-Romuald, Quebec
(ii) $320,000.

(i) Electro Pompe Saguanay Inc., 550 Boulevard Saguenay Ouest, Case postale 562, Chicoutimi, Quebec
(ii) $347,300.

(i) Construction des Trois-Monts Inc., Route 232, Trinité-des-Monts, Quebec
(ii) $387,000.

(i) Construction Gart Inc., 1600 Boulevard St-Martin est, pièce 650, Tour B, Laval, Quebec
(ii) $411,000.

(i) Construction R.F.P. Inc., 159 Boulevard Caouette sud, Case postale 125, Thetford-Mines, Quebec
(ii) $470,000.

(d) Contract awarded to: Construction C.P. Inc., 1663 Boulevard St-Paul, Chicoutimi, Quebec.

Award Letter dated November 13, 1991.

[*English*]

Mr. Cooper: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

An hon. member: Agreed.

MOTION TO ADJOURN UNDER S. O. 52

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have a motion under Standing Order 52 to present. It was deferred from yesterday.

I am moving the adjournment of the House for an emergency debate under Standing Order 52. The Government of Canada is considering proposals arising from negotiations on the GATT, the General Agreement on Tariffs and Trade. These 500 pages of proposals will affect virtually all segments of our society, including the role that the provincial governments play in our Confederation.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order. It is my understanding that the hon. member filed notice that he would present a motion under Standing Order 52 yesterday, but he did not do so again for today's sitting. This means the Chair cannot rule on the matter. According to the Standing Orders, notice must be sent to the Chair for the sitting during which the motion is to be presented. Consequently, I cannot entertain the hon. member's request, since the Standing Orders are very clear in this respect.

[*English*]

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I appreciate and accept what you have just said. I must say that there was an understanding yesterday. I think the parliamentary secretary to the government House leader and the House leader for the Official Opposition would concur that there was some understanding there would be some discussions. The impression left with us by the Speaker yesterday was that he would consider the notice given yesterday to be applied today in the hope that there would be a chance for some discussions.

Unfortunately, discussions have not been held to the extent that we had hoped for. The understanding, Mr. Speaker, to be clear, was that the notice given yesterday would apply for today as well. Of course, there is always the option of seeking unanimous consent to allow the member to put his request. In all fairness, on such a critical issue, I would seek unanimous consent of the House to allow my colleague to put the request for an emergency debate.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, the hon. member who has just spoken is correct in most of what he has said. I was not part and parcel of any deliberations that took place with Mr. Speaker, nor with the parliamentary secretary to the government House leader. In view of the subject matter, which I have discussed with my hon. colleague, I would have no difficulties on behalf of my party in giving unanimous consent in order to waive the provision of notice in order that you may entertain this particular motion on emergency debate.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I would like to confirm that in fact there were some discussions yesterday. I, on this side of the House, wish to indicate that we did expect that the notice of the intention to do so would stand over for today.

• (1020)

We on this side have no problem with the hon. member proceeding with his presentation, but I do not want to in any way imply that it somehow signals to the Chair that we expect him to behave in a certain manner.

[*Translation*]

The Acting Speaker (Mr. DeBlois): As there seems to be unanimous consent, I will recognize the hon. member for Mackenzie so that he can present his motion under Standing Order 52.

[*English*]

Mr. Althouse: The Government of Canada is considering proposals arising from the negotiations on the General Agreement on Tariffs and Trade. Some 500 pages of proposals will affect virtually all segments of our economy, including the role that provincial governments play in Confederation.

The proposals embrace new sectors under GATT. For instance, trade, agriculture, services and intellectual property rights would be fully included for the first time. Thus there are special implications for Canadians working in these fields of economic activity.

The concerns of those individuals, the potential impact on our economy and on the nature of our Confederation cannot be adequately discussed because of a lack of opportunities available in the House before the government is required to make a decision whether or not to sign the GATT proposals. It is of the utmost urgency that the broad implications of this question be debated in the House. It is the responsibility of the members of this House to inform the government of the positive and negative implications of the decision that lies before it and of the concerns of all Canadians.

POINT OF ORDER

REQUESTS FOR EMERGENCY DEBATES

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I wish to serve notice to the Chair and to the Table with regard to the whole concept of emergency debates. I will not pursue it today but give notice to the Chair I would like to have an opportunity on the floor of the House of Commons to intervene in the whole concept of emergency debates and the procedure which we follow in this House.

Certain acts have taken place over the last 12 months which I think would change, if you will, some of the restrictions which are tied in with the concept of emergency debates. On a future day this week I would like to give my views to the Chair in order that the Chair could have a full understanding as to where the Official Opposition is on this particular subject matter.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am intrigued by my hon. friend's intervention. I think it is a fascinating one and I assume what he is talking about are some of the reforms or changes to the rules.

I suggest to him we have a couple of options. First, we could pursue it through the management committee, whose mandate this falls under or second, he could indicate to me whether he intends to use an opposition day for such a discussion.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I would like to lend my support to my hon. friend's suggestion. Certainly I think we are all interested in reforms of the Standing Orders to allow more flexibility.

We saw a good example—I see my friend nodding in approval—earlier today when the hon. member for Skeena rose on the matter of the astonishing news of the depletion of the ozone over Canada. Obviously it is something we should be dealing with as quickly as possible. I want to lend my support to these great ideas as well, Mr. Speaker. The sooner we get on with it, the better.

Mr. Mills: Mr. Speaker, on a point of order, I put through you to the government side yesterday a proposal for an emergency debate led by the government to have unlimited hours in order to figure out ways by the end of the week that we could put Canadians back to work. I wonder if the government could respond to that request.

[*Translation*]

SPEAKER'S RULING

The Acting Speaker (Mr. DeBlois): Considering the nature of our Standing Orders as they relate to emergency debates, I must inform the hon. member for Mackenzie that his motion does not meet the requirements set forth in our present Standing Orders.

However, the Chair is the servant of the House, and if hon. members would prefer to see a little more flexibility, the Chair will of course be glad to accept any changes the House may decide to make.

GOVERNMENT ORDERS

[*English*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed from Monday, February 3, consideration of the motion of Mr. Mazankowski that Bill C-32, an act to amend the Canada Assistance Plan, be read the third time and passed.

The Acting Speaker (Mr. DeBlois): At the adjournment of the House yesterday the hon. member for Thunder Bay—Nipigon had four minutes remaining for debate.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I certainly will not comment on the four minutes. I thought it was longer but I will abide by the request to maintain my remarks to four minutes.

As the debate closed last night I was trying to illustrate those areas of the economies of Ontario, Alberta and British Columbia that would be affected by the capping process in this legislation that is presently before the House. Homes for the aged would be affected, as would nursing homes, hostels for transients, child care institutions, homes for unmarried mothers, residences for physically and mentally disabled persons, residents for victims of domestic violence and sexual assault, and rehabilitation services for substance abusers.

There is no question that the health care system in our country would be reduced for those so much in need, especially those among our elderly who require medication and dental care services.

Child welfare payments would be curtailed. What will happen to these children when these cutbacks take effect? We have all heard in this House the overwhelming support from all sides about the need to protect the children in this country in every way, particularly economically.

Welfare services of all types will be hampered: adoption services, rehabilitation services such as life–skills training, services for the aged and physically and mentally disabled persons, homemakers, home support and similar services to individuals and families in emergency situations, or as an aid to independent living in our communities for seniors and the disabled.

I could go on and on to state in unequivocal terms what this type of legislation is doing to those people, not only in those three provinces but in all of Canada that will be seriously affected if this legislation is allowed to go through.

Let me state this in closing. If Canada is to stay unified, if Canada is to stay as one nation, if Canada is to stay together to differentiate between the provinces over economic issues that will certainly affect each and every citizen, not only in the provinces of Alberta, British Columbia and Ontario, but throughout this whole beautiful, wonderful country of ours, I implore this government today, in the spirit of the unity that we are trying to create, to withdraw this legislation and not bring it back until this recession period is over.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to commend my colleague from Thunder Bay for his remarks on how wrong it is to put this cap on the Canada Assistance Plan at this time.

As we mentioned yesterday, we are not just criticizing the government here, we are also trying to put forward some ideas that hopefully will put people back to work. As we put people back to work, there will be less need to even think of putting a cap on such a fundamental program as the Canada Assistance Plan which looks after the most disadvantaged.

My question is to my colleague who has spent the last three years in this House doing some fabulous work in the area of transportation. He has seen all kinds of opportunities through our transportation systems and infrastructure where possibly we could invest in the human capital and in our infrastructure to put people back to work.

I wonder if he would be kind enough to enumerate to this House and to the people of Canada some ideas in the area of transportation which could put Canadians back to work if the government had the political will to do so.

• (1030)

Mr. Comuzzi: Mr. Speaker, I thank my colleague from Broadview—Greenwood for his remarks with respect to how we can assist this country in putting forward a system for our infrastructure, particularly in transportation. I also thank him very much for his kind words about the work in transportation that I have done.

Let me answer my friend by saying that what Canada lacks is a national transportation policy that would extend all modes of transportation: rail, water, air and roads into an infrastructure that would cause this economy to come back to what it once was.

Let me talk for a moment about the roadway system. In my particular area, VIA Rail has been cancelled from Sudbury right through to Winnipeg. As a result, we do not have any passenger rail service, which is so vital to any area of this country, but particularly in northern Ontario. With the absence of passenger rail service on days like today when the planes are not flying, we only have one means of transportation, roads. It is with trucks and cars that people move back and forth in all of the communities in that particular area and I am sure it is synonymous with every other area in Canada.

What we find now, Mr. Speaker, is that the infrastructure of our roadway system is deteriorating to a point where we have more accidents on our roads than we have ever experienced before. This is due primarily to the fact that the roads are not maintained as well as they once were. Coupled with the fact that the roadways are taking the excess transportation that should have been going on railways, it means that we have huge trucks on the roads. We have an economy that is resource based and we have logging trucks and so on.

We do not have the will through either the provincial government, although it promised that all kinds of great things were going to happen in the north, or this government which does not have the resources to provide for all of those communities in northern Ontario and other areas of Canada to spend on the infrastructure that is so vitally needed.

I just heard from my friends on the side here, Mr. Speaker, that they spent a fortune on northern Ontario. Let me say unequivocally and without fear of contradiction that all we have heard in northern Ontario is words and the promises that are made. We get ministers there making all kinds of promises and it has not, like other governments before it, followed through. That is a dilemma that all people in northern Ontario are facing, the dilemma that governments promise things that they cannot deliver. That is what is happening in Ontario, and we see it happening on the other side of the House.

Getting back to the point of my colleague on transportation needs, we need rail transport, additional roads and more access to the air systems of Canada. Thank you very much for asking that question.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, it gives me pleasure to speak on Bill C–32, although I am not too happy with the consequences of this particular bill.

It allows for the extension of a 5 per cent limit on CAP for the provinces of British Columbia, Alberta and Ontario, the province from which I come. It is a continuation of Bill C–69 which limited the 5 per cent cap until 1992. Bill C–32 extends this until 1995. May I suggest that this is the only mechanism by which the federal government assists in funding social assistance and social services in the provinces.

I want to quote someone here: "And then there is what I call the dimension of tenderness. It is the vital responsibility of government to demonstrate compassion for the needy and assistance for the disadvantaged". "It is the equalization of opportunity for all and an elevated sense of social responsibility that must continue to find favour with every thoughtful Canadian. Of all the challenges of government, no cause is more noble, no obligation more sacred. We shall be judged both as individuals and as a society by the manner in which we care for those unable to care for themselves".

Our Prime Minister said those words and, as is so often the case, we can agree with his words but we certainly cannot agree with his actions. In fact only 12 per cent of the population in this country would agree with the Prime Minister these days.

The historical perspective has to be pointed out. This dates back to 1867 and the Constitution Act wherein it was decided that there would be an agreement or a pact between the provinces and the federal government to share 50 per cent in social assistance for the provinces.

As the years have progressed, the development of these policies has caused problems between the provinces and the federal government as to constitutional powers. It is suggested: "It is not my responsibility; it is yours" and vice versa. As a result the disadvantaged people of this country, the people who require the assistance, get caught in the middle.

The federal government often says that the municipalities are creatures of the province, but surely it begs that the three levels of government co–operate. One cannot function without the other, and therein is part of the problem. The federal government is no longer participating or is not fulfilling its obligations to the pact which began in 1867.

There is a history of changes where the social assistance system in this country became better and better and improved as years went on.

The Canada Assistance Plan of 1966 broadened the basis of support to those in need of financial assistance, regardless of the cause of that need. It was one of five elements of a program designed to abolish poverty. Obviously it is not working.

Some of the benefits of this program, the transferring of funds from the federal government to the provinces, to the municipalities, goes on and on. Although I do not agree with some of the things the previous speaker indicated, I certainly acknowledge that services are going to be severely cut: the rehabilitation services, including services to the chronically unemployed and to meet the special needs of persons at risk of being socially isolated, particularly the aged and the physically and mentally disabled.

There are people who vocationally want to be rehabilitated. The waiting list in my community is over one year. These people desperately want to be retrained and rehabilitated to get back into the work force. Bill C–32 perhaps renders this possibility impossible.

Community development services are to encourage and assist members of deprived communities to improve their social and economic conditions. The major employer of the community of Sault Ste. Marie is certainly under siege. We are not sure of tomorrow, next week or next month. Our social assistance rolls grow and grow and grow each and every day.

What has happened? The federal government says no to the province. A year ago the Ontario government increased transfer payments to the municipalities and the federal government was screaming: "You can't spend that kind of money". We quickly found out without the assistance of the federal government that we cannot spend that kind of money.

Where does it come to? It comes down to the municipality that is forced to hire more staff to handle the caseloads, and at the same time the tax base is being eroded. Our major employer cannot pay. With the assistance of the provincial government $4 million of tax arrears was paid by the provincial government on behalf of the employer. How can the municipality take up the slack if it does not get assistance from the provincial government that in turn has not received assistance from the federal government?

• (1040)

Of course the indication is that it is only the have provinces that have a cap. It is fortuitous or very timely that in *The Toronto Star* today it is stated "Cap on welfare costing Ontario $900 million". That is the financial effect this year on the Ontario government—$900 million.

The Minister of State for Finance says: "Ontario, Alberta and B.C. are the best places to bear the extra burden". What a cynical comment to make when Ontario was a have province and we hope that it shall be once again. Presently our manufacturing base has been eroded dramatically. We read day after day the litany of plant closures and plant layoffs. How can the federal government suggest, even intimate, that Ontario can best bear the burden? We can no longer bear the burden; $900 million is definitely an impact.

If we just want to talk about caseload, in metro Toronto the caseload for social assistance has reached 102,000 in one month, up from $98,000 in December. Any suggestion that the recession is over is not true. The proof is in what is happening in communities across the country.

There is almost unanimous consent that the timing of Bill C–32 is totally inappropriate. When you are in the midst of a recession you do not hurt the people who can least afford to be hurt. It should be noted that 50 per cent of Canada's poor live in B.C., Alberta and Ontario.

The recession has forced people out of work and on to UI. Believe me, my experiences with the UI program of this country have not been pleasant. The government has abdicated its responsibility in UI. It has made it more difficult for workers to qualify for UI. It has shortened the time period for which they will qualify. Believe me, if there is any doubt in the regulations, the workers will never ever get the benefit of the doubt.

I have been to the board of referees on behalf of hundreds of steel workers in my community. It was an unfortunate experience. The regulations point out that it is very difficult to win appeals. We shall go on despite this, but when these people run out of UI they are forced to go to the social assistance program. They do not want to, but will the help be there? It is becoming more and more difficult to provide that help.

In Canada, one of the wealthiest nations in the world, and I think we all still accept that, there are close to one million children living in poverty. We are second only to the U.S. in the level of child poverty in the industrialized world. These children are being asked to pay for loopholes that are offered to big corporations.

I want to cite a particular example. I think examples have to be used to hit home the severity of the problems in our communities in this country. Sault Ste. Marie is only a microcosm of what is happening in so many other communities. We are not in it alone certainly, but I think we are a case study of what is going on in this country.

I received a call from a nurse in a hospital suggesting that the number of cases of malnourished babies in our hospitals is growing. It took time to find out why. What was the problem? It was found and proved that parents of babies of underprivileged families, through no fault of their own, are forced to cut corners. One way to cut corners is rather than buying very expensive formula for their children, they dilute Carnation Milk and say: "I hope that this will do the trick for our children". It does not.

What a condemnation of our system if we cannot provide the basic food for children in our country. That at this point in time is not addressed and I suspect it cannot be addressed. I was in China. What most impressed me about that country that has, I believe, 7 per cent arable land and 1.14 billion people was that, as far as I could see, everyone ate. I could not see people going hungry. We did see a lot of that country. Yet in Canada babies are going hungry. That is a condemnation certainly of the system. Bill C–32 will only exacerbate the problem.

We have talked about timing. This along with Bill C–21, the changes in UI, the clawback on family allowance and pensions, the attack on medicare that we are only too aware of, all of these factors are happening at the same time, which puts a tremendous load on the system. As I have said before, unless we co–operate, unless we get this country back to work, the problems will only continue and get worse.

May I talk about something that is difficult to talk about, which is mental illness in this country, something that is elusive, but we know it is out there and growing. When people are distressed economically, they are distressed mentally.

In my community, depression not only means economic depression. It means mental depression. The suicide rate has increased dramatically among young people. This will not be addressed by attacking the deficit. Attacking the deficit will not make people feel better. People have given up hope. There is no hope. They cannot see the government participating in the rehabilitation and reactivation of the economy.

Certainly there are ideas out there. If we can put people back to work, that despair will subside and hope will come forward. I think the best idea is this public works project. The FCM agrees with it. They initiated it. George Bush, that right winger, even says it is a great idea. Our Prime Minister says that it is a silly idea. Once again, when everyone thinks it is a great idea, the Prime Minister describes it as silly.

Obviously we are on a course that we cannot continue to follow. We can restructure an economy. We can restructure businesses, all with difficulty. We can restructure industry, as we will have to do in my community with Algoma Steel. We can restructure the responsibilities, although it begs co–operation. We can restructure the debt. We can do all of this with great difficulty, but we can do it.

But we cannot restructure people's lives. We cannot restructure families. We cannot restructure educational opportunities without a loss of opportunity for the people and the country. We cannot restructure medical services without mental and physical pain. Restructuring is the buzz word, and they say that we have to do it. We realize that, but you cannot restructure people. It is impossible, but it is happening. Families are being forced to restructure in ways that fly against what is human nature. We cannot restructure people's feelings when they are down. They will remain down unless there are changes in what the governments of the country are doing. They see no change. "We are staying the course", says the federal government, "We are staying the course, despite what is happening around us". It says, "We understand". Well if it understands then bring about change and Bill C–32 does not bring anything to us.

• (1050)

I have said it before, it cuts and it cuts and it cuts, and it cuts some more, and then it says "we are wrestling inflation to the ground". But if the country is wrestled to the ground, if it wrestles the manufacturing base to the ground, if it wrestles people's hopes to the ground, when it is finished with all of the things that have been done in the name of policy, what benefits it and what benefits the country if at the end of it there is nothing there?

It can say, "Well, we went through with our policy and it is the only policy that we know". But what are the benefits when there is nothing left at the end of the exercise? It benefits no one.

I beg the government to get off this course because the country is asking you, imploring you. It goes from begging and asking and imploring to one of great anger and cynicism. So it is time to stop staying the course and do something to address the problems, and we can only address the problems together.

I ask the federal government to co-operate with the so-called have provinces like Ontario—which no longer is a have province primarily because of this federal government.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to say to the member that I agreed with most of what he said. I understand the great frustration that he must be going through because of the problems with Algoma Steel. But he is a member of the New Democratic Party and right now that party probably has more influence with the premier of Ontario than any one of us in this House of Commons.

When you talk about this government staying the course, its plan of wrestling inflation to the ground—by the way, I think there is no inflation in this country—it has more than wrestled it to the ground and you basically indicated that. But my point to you is that I get a sense that the premier of Ontario is basically following the same course that this Conservative government is following.

I want to stress a couple of things. First of all, there are close to 400,000 entrepreneurs in the province of Ontario. These are people who are highly creative and highly motivated. Right now they are saying that they need some inspiration, they need a push, they need a spark from the province of Ontario. Quite frankly, there is a sense that the premier of Ontario would rather pay people not to work than try to take chances on the human capital and the entrepreneurship that is there.

I do not want to give a big long list in this House of Commons today, because this is a national debate and my specific examples are basically from my own province. I would like to meet with you privately. There are literally dozens of examples where entrepreneurs want to do things to create jobs, but they are looking for a little bit of spark, not in terms of taxpayers' money but things going through the process.

An hon. member: Name one.

Mr. Mills: You ask me to name one. I will name one. Last Friday in the province of Ontario the minister of municipal affairs put the hammer and closed down an affordable housing project, 5,000 affordable homes, $110,000 to $140,000 homes, five minutes north of Newmarket. It would have created 17,000 jobs. It was not going to cost the taxpayers of Ontario a nickel—17,000 jobs over four years.

Let me be very accurate. I personally faxed the premier, tried to phone the premier, wrote to the premier, wrote to all those people and I could not get a response.

The premier of the province of Ontario went on national television— I was not here when he gave his pitch; I was in the Middle East—but I heard that he was asking for ideas and ways to create jobs. Then a week later he put the hammer on it. There is a bit of inconsistency here.

I am not trying to do anything other than to suggest that when you throw a shot across the floor at the Conservative government, how about re-examining the opportunities that we have within the province of Ontario for creating jobs.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order. I fail to see the relevance of the hon. member's comments. The bill before the House today concerns the Canada Assistance Plan, and I would appreciate it if the hon. member would get back to the subject and finish his remarks.

[*English*]

Mr. Mills: Mr. Speaker, the relevance is this. If we had people working again there would not be a necessity for this cap on the Canada Assistance Plan because if there were full employment in this country we would not be needing to cap bills that are as fundamental to the fabric of this country as this is. My plea is that we get people back to work.

Legislation like this can be withdrawn from the floor of the House and so I plead with the hon. member for some help.

Mr. Butland: Mr. Speaker, I think there were some cynical comments there and it is unfortunate that this kind of debate would get that partisan. I think it became a little partisan. I would say that at least this government is consistent.

I suspect the party that the member represents could espouse what it says, and as full employment really is our party's policy, I think he is espousing our policy which never surprises me about the Liberals, opportunistic perhaps.

Last year when the New Democrats and the premier of Ontario put out this anti-recession fund, the federal government would not get on side. I am sure that the Liberal opposition at that time did not say "Premier Bob, that's not the right idea". It probably criticized him. At that time when they were spending money you were criticizing and now when they are coming back you are saying they cannot do that either. Well you cannot have it both ways. It begged co-operation last year when the New Democratic government said that it was going to spend its way out, and the federal government said no way. The Liberal opposition in Ontario said, "No way. You can't do that".

I think that Premier Rae has reached out to the business community and many times, for whatever reason, has had his hand slapped. Absolutely. I do not think they want to co-operate. But he will continue to reach out to them. In the end, without cynicism from the other parties, this will work. I do not think that Bill C-32 has anything to do with what the member was talking about and I commend the speaker for bringing that to the attention of everyone.

Mr. Mills: Mr. Speaker, the member first of all accused me of being cynical when I gave him a specific example that would create 17,000 jobs. He then went on to say that he did not see what Bill C-32 had to do with job creation. I cannot believe a member of Parliament would say that. If we had full employment in this country we would not have such a draw on the unemployment insurance fund and we would not have such a draw on the welfare fund. My goodness, his leader's first question in the House of Commons yesterday was: "What about the $30 billion on UI and welfare? Let's put it into productive labour and then we would not have to worry about Bill C-32." He is not even listening to his own leader.

• (1100)

I put forward a specific, sincere question to the member of the New Democratic Party. I asked him for help to get people back to work. It was not cynical. I gave him a specific example and he stood up and made a mockery of my question. That is why people think this House does not work and they are right.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, the previous discussion is very revealing. I think all of us on this side of the House are trying to do our best to turn this country around and to get this country back on track, but let us keep our eyes on the ball and let us not forget who is tearing this country apart. It is the Conservatives across the way and let us not forget that.

Let us turn to the matter at hand. The other day I was reading a story in *Time* magazine. It was a cover story titled: "The Fraying of America". It spoke of the unravelling of that country. The United States of America is literally coming apart at the seams. It is coming apart at the seams because it has had far too many years of conservative administration.

I think many of us even on this side of the House would argue that perhaps in a period of 100 years there may be a time for a conservative administration. But history will tell you that having any more than about four or five years of a conservative administration in a longer period of time is far too much.

If you look at the United States it goes back to the Reagan years starting in January 1981, and that country has come apart. It has come apart to the extent that George Bush, who was riding high in the polls and nearing a 90 per cent approval rating a year ago has now slipped below the 45 per cent level. Who would have thought a year ago that George Bush could be facing defeat? It is now a possibility. I do not predict it, but it is a possibility.

That magazine cover story was addressing the very serious issue of the fraying of America, the coming apart of America. The same thing is happening here. Reaganomics did not work in the United States and Thatcher economics did not work in the United Kingdom. I am going to say that Mulroney economics does not work in this country.

Canadians know very well—they say it every day in the coffee shops, it is reflected in the polls, and even the Tories cannot deny it and they certainly cannot ignore it—that there is something terribly wrong with this country. They are searching for answers. They know that the Conservative government, going back to September 1984, has done something irrevocable to this country, or perhaps irrevocable. We are hoping if we get to power that we can turn it around, but the damage inflicted on this country by this government continues unabated day after day, day after day.

The first thing this government did was to begin damaging and tearing apart the social contract. We have had a social contract in this country for decades and decades and decades, something that separated Canada from the United States of America. There was a partnership in this country, a partnership involving government, the business community and labour. It can be called a partnership or a social contract, but we had it in this country.

It made a difference in this country, certainly a difference between this country and the United States. It made us one of the best countries in the world, but we are losing it. We are losing it very quickly because we have a Conservative government that wants to turn this country into a country governed by the laws of the jungle.

It has its favourite buzz-words like competitiveness and globalization. If we would only become competitive, everything would be just fine and dandy. Just leave us to the vicious forces of the marketplace. If we are competitive, everything is going to be fine. Just let big business have its way and all the benefits of that hard work will trickle down to us, the masses. What a wonderful dream. But it does not work.

Let us talk about the cap on CAP. The Tories tell us that there has to be this cap on CAP, this ceiling on social assistance and transfer payments to Ontario, Alberta and British Columbia because, after all, they are here to cut the deficit. They tell us we must have restraint on government spending and the government budget must be trimmed. They say with this particular measure they are going to save $340 million. We have heard that story many times. Almost everything this government does is in the name of cutting the deficit and yet, strange as it may seem, the deficit remains. It hardly moves. After almost seven years of this Tory administration, despite some of the best economic years, the deficit sits there. But the debt goes up. It never stops going up. What do we get out of these Draconian measures from the Tories? Not a lot.

It raises the question of fairness. Under this measure the Tories are saying to the poor in Ontario, to the poor in Alberta, to the poor in British Columbia: "You are going to have to live with less". Where is the fairness? In free trade, what did the Tories do? In the free trade agreement they gave big business, particularly the international companies, a blank cheque. "Go out and do your thing."

For a while small business thought there was a lot in free trade for them. If big business prospered from free trade, so would small business. It has not turned out that way. People in small businesses are some of the most disillusioned people in the country today. It is because they realize that the corporate agenda followed by the Tories is not for small business. It is for the big business people, most of whom reside in places like New York, Los Angeles, Chicago and London. It is not your small retail outlet or retail operator on Portage Avenue in Winnipeg, for example.

I ask you, Mr. Speaker, is that fair? They ask the little guy to tighten his belt and to live with less, but when it comes to the big guy, they give him more. Is it fair? What about the GST? It certainly gave a break, and perhaps a rightful one, to our exporters when it removed the old manufacturers' sales tax and imposed the GST, but what about the ordinary Canadian? What does he get out of it? He is paying more taxes. He is being gouged. He is being asked to pay more. I ask the question: "Is it fair?"

Here we have a government cutting back, constantly retrenching, constantly asking Canadians to give a little bit more and to bleed a little bit more. In the process we have 600,000 Canadians dependent on food banks. One-third of those are children.

• (1110)

We have 1 million Canadian children living in poverty. Is that fair, especially when we measure it against some of the Draconian measures instituted by this federal government? Is it not interesting that at a time of economic difficulties when people are feeling the hurt and the pain of the recession and feeling the pain of the measures of this government that we do not hear anything from the government when it comes to the huge stipends and salaries earned by chief executive officers of some of the largest corporations in the country? We do not hear a word.

I read in the paper the other day that the salaries of CEOs in Canada were going to go up this year 7 per cent on average. I wonder how many workers are going to enjoy a 7 per cent increase in their salaries this year. Not very many. A lot of workers will lose their jobs.

Do we ever hear anything from these fat cat Tories when it comes to high salaries of chief executive officers of corporations? We never hear a word. Is that fair?

A few years ago the federal government used to be the leader when it came to the minimum wage. Provinces lagged behind. Who is taking up the rear these days? Who is last in the line of providing a minimum wage? Is it little P.E.I., Newfoundland or Manitoba? No. It is the federal government. These parsimonious Tories have not adjusted the minimum wage for almost six years. It has not been adjusted since 1986. I ask you the question, Mr. Speaker: "Is that fair?"

What about the monetary policy? What about the policy of this government to wrestle inflation to the ground? None of us likes inflation. I do not know anyone on the face of the earth who likes inflation. The Tories stand up very bravely and say they are going to wrestle inflation to the ground. They have not done a bad job. But who was the pawn in this process? Who was used in the process to fight inflation to the ground? It was the little guy, the worker. The anti-inflation policy was carried out on the backs of little people. I ask you, Mr. Speaker: "Is that fair?"

What about the cuts in transfer payments to the provinces, cuts which are going to have and already have had a serious impact on health care programs in the provinces? I ask the question, Mr. Speaker: "Is it fair?" Is it fair to pass on more and more of the federal government's responsibility with respect to health care to the provinces? Is it fair to take federal cash out of the medicare system which will leave the provinces with an absolutely unbelievable burden that they will not be able to bear?

Mark my words, Mr. Speaker. Consider when there is no more federal cash for medicare, when the federal government loses its lever to apply the Canada Health Act. That will happen. The provinces will soon be adopting or instituting user fees and other measures like extra billing, and that will be the end of medicare. That will be the beginning of a two-tiered system where the rich will have their system and the poor will have their system. Of course the system of the poor will be a poorer one because they will not be able to afford the kind of system that the rich can enjoy. I ask the question again, Mr. Speaker: "Is that fair?"

I can take you down this long line of issues and I can raise the question every time: "Is it fair to be preoccupied with cutting and tearing apart the social contract that has existed in this country for so long?" What about the clawback of pensions? What about the clawback of family allowances?

Of course the Conservatives get on their soap box and say: "After all, we are just going after people with the wherewithal. We are just going after people with means. We are not going after poor little people. We would never do that". That is not true. The clawback is not tied in any way to inflation.

Even though the Tories wrestle inflation to the ground, I can assure you that as time moves on and as inflation takes its toll, the clawback to family allowances and the clawback to pensions will hurt more and more and more all the time. As you well know, the threshold right now is $50,000. That does not sound too bad, does it? It does not sound too bad, but when it comes to pensions, in eight years from now, $50,000 will be $40,000 because there is no indexation. That is what the threshold will be in eight years, $40,000. In 30 years it will be down to $20,000.

Can you imagine after 30 years of inflation, 30 years down the road? Canadians are going to have an old age pension worth $20,000. Is that fair? Is that the direction they should be following? Canadians know. They know and they say it every day. That is why the polls show that the Tories will be turfed out at the first opportunity. Canadians know that their policies are the ruination of this country. They have never heard of the word "share".

You will grow old, Mr. Speaker, sitting on this side of the House and waiting for the word "share" to come out of their mouths. The Tories do not believe in sharing. They never heard of sharing. In fact, if you ask them what sharing means, it means thievery to them. It means having to share some of what they have with other Canadians. That is what sharing means to them. It means thievery.

This idea of building two tiers in our society is achieved by the clawback. The clawback does that. The cuts in transfer payments to provinces build two tiers. This

divides our country and our people. This sets off rich people on one side and poorer people on the other.

I will tell you the price that is to be paid for that. When you take upper middle income people and rich people out of mainstream programs like family allowances and pensions, they do not feel that those programs belong to them any more. They do not feel that they have anything to do with those plans. They have their own plans. Consequently, what happens when you cut those people from the mainstream programs is that they do not support you any more. They do not support you with their cash any more, and they do not support you with their politics and their votes.

Is that what we want? No. I would like to have a social contract. I would like to have a social contract that calls on all Canadians working together and sharing together. I do not want Canadians rushing off in different directions. Yet that is what Tory policy dictates.

Is it fair, I ask again? No. The Tories privatized the unemployment insurance scheme. It is harder to get into UI now and you get less out of it if you are lucky enough to get in. Of course, with privatization the Tories according to the 1989 tables removed their $3 billion contribution from unemployment insurance. Again it is the unravelling and the fraying of the social contract. There was a time set up by the Liberals that there would be a role for the worker in UI, a role for the businessman, but there also would be a role for general taxpayers through the instrumentality of government. That has been destroyed by this government.

• (1120)

In closing, I say there has to be a turnaround. If there is no turnaround we will lose absolutely everything we have. We will lose our social contract. We will lose the partnership that existed for so many years in this country.

The cap on the CAP is a reflection of the fraying of Canada and I just hope to God that we can put a stop to it.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am pleased to stand in the House today to address this extremely important legislation which I believe will impact negatively on the whole of Canada, not only Canada's poor but Canadians generally.

All of you will know that Bill C–32 is an act respecting the Canada Assistance Plan. That is a rather cold description of it. Let us look at what it really does.

It deals with the Conservative government's cap on the CAP, a cap on the Canada Assistance Program. Specifically, it is a cap on the transfers to British Columbia, Alberta and Ontario. This particular measure is a flagrant and highly visible example of the failure of the government to be able to come to grips with the balance between economic policy development and social policy development. What it attempts to do is bring some order into the economic policies of this nation by attacking those provinces which on a per capita basis are richer than others by limiting assistance to those who need it. I would argue, and I shall, that this is not the way to proceed.

It also raises a number of other important questions. If the government can do this to this particular program, what is to prevent it from expanding and broadening it? What is to prevent it from reducing the amount of transfers or to approach other programs with a similar philosophy? We have no guarantee that it will not do so.

I want to raise a number of questions. The first one is, who will this bill affect? It will affect Canada's poorest citizens. They will be the ones who will suffer the most from the Conservative government's extension of this cap on the CAP.

Members will recall that originally there was a cap of 5 per cent put on transfer payments to assist social assistance program recipients. This is an extension of that Draconian measure and it is completely unacceptable, particularly in view of the more difficult economic situations through which we are now passing. It is the wrong thing to do. It is the unjust thing to do. It is the insensitive thing to do.

It will be recalled that this penalizes not only British Columbia, Alberta and Ontario because it reduces the assistance they get, but it penalizes the people who are the recipients of those particular programs in those particular provinces.

There is an article in today's *Toronto Star* entitled: "Cap on welfare costing Ontario $900 million". That is almost a billion dollars. This is the effect of that particular bill. This $900 million will be money that the poor will not be able to get. Those who need assistance will not get—$900 million—almost a billion dollars. It is unconscionable. It is totally and completely insensitive.

Under CAP, the federal and provincial governments share equally the costs of basic necessities such as food, shelter, clothing, utilities and households. The federal government does not set up these particular transfers for social assistance programs but it helps provinces in setting them up by responding to the needs of those Canadians who require assistance most.

Many of the services which will be affected are essential to Canada's poor. Let me give an example of some of them: dental care, essential living services for disabled persons, foster homes for abused children, safe housing for abused women, and subsidized child care for low income families. These are basic essentials that will be denied. The federal government will prevent these provinces from doing as much as they would like because it will not be matching, as it ordinarily would, the expenditures that provinces would undertake in those particular areas and in a number of others.

What is worse about this—a point that has never been talked about much—is that this was originally initiated in the 1990–91 budget year but has now been extended. The government got its foot in the door and now that it has its foot in the door it is going on and on. This ceiling has now been extended and it will continue to reap the same kind of effects that I have just mentioned in this *Toronto Star* article—$900 million in this one province alone, fewer dollars for those particular individuals.

I want to mention as well, and I think it is an important point, that this particular plan is going to result in transferring the debt and some of the economic difficulties on to the backs of poor Canadians. I think this is something that we often forget. It is easy to talk about statistics, it is easy to talk about these kinds of programs in a sort of cold, analytical way, but it is sometimes difficult to understand that there is a control going on here, an attempt to control debt, an attempt to control deficit, on the backs of the poor.

Some of you will know—and some people feel rather good about this—that because this was challenged in a court of law and the government was found not to be outside of the law, that somehow there is a moral victory. I suggest that this is not a moral victory; quite to the contrary, it is the extreme opposite. Even though there was a legal win, it does not give the government the moral right to abandon its responsibilities to the poor and disadvantaged Canadians.

Another point we often forget is that this kind of program pits those who are richer, on a per capita basis—and we all know that those richer provinces have become poorer recently—against other provinces. It heightens the tensions in this country at a time when the situation is particularly tense. It really does pit one part of the country against other parts of the country. It simply makes people more angry at the system because they feel it is not being fair, that it is not working, that it is not sensitive, that it is not sharing in a fair kind of way.

Let us talk about our current situation today.

[*Translation*]

You surely know that right now in Canada, about 5 million people live at or below the poverty line. Unfortunately, most of them are women. These 5 million include 1 million young people, children and youths. I find this situation deplorable in a country like ours which is rich compared to other countries in the world.

Right now, 2 million Canadians are on welfare; here again, many of them are women and children. I find it absolutely deplorable that in our country, Canada, with 27 million inhabitants, 2 million, or almost 10 per cent, receive social assistance. I find that unfortunate.

• (1130)

Nearly 1.5 million people are said to be unemployed, but the actual figure may be higher because some have given up looking for work—they feel it is no use.

I will give some concrete examples from my constituency. In my riding, I could name at least seven young men who have worth-while university degrees, masters in public administration, in economics or in other very important fields, and who have been unable to find work. They get contracts for a month or two, something like that, but nothing long-term, nothing promising. Can you imagine these young people who have studied for years to ensure a promising future for themselves and have lost hope?

I met a young man who has a bachelor's degree in economics. He had to go to the United States because there was no work for him here in Canada. He is a very intelligent young man who had great success in university, and there is nothing for him here in Canada.

In my riding now, there is a man of about 50 who lost his job because of cuts in the place where he was working. It was not because of his ability—he was very competent, very loyal, very hard-working—but cuts were made. He has been looking for work for more than a year and he has not found anything yet. Can you imagine the despair he feels and the despair in his family because he cannot find work?

I know an electrician who has worked for a number of companies, is very competent, and has all kind of references indicating he is very good at his trade. He is still looking, but there are no jobs.

And what about small business people who have gone bankrupt? And what about all those people who during the past year tried to set up a business and invested a lot of money in the process, and because of the recession, because of our very high dollar in relation to the U.S. dollar and also because at the time, interest rates were very high, were unable to survive?

We have food banks operating at this very moment, where 1.8 million Canadians will go this year if they do not want to starve. As you know, 40 per cent are children and teenagers. In this country, food banks are running out of food, and I think that is appalling.

[*English*]

I want to talk about tax increases because that has been a burden for Canadians. We all know that there is less ability to purchase now what we could a few years ago, in spite of some increases in certain sectors, because the tax increases have taken away more than we have received in almost every single area. The losses by the middle class, the very motor of Canada, the people upon whom we count in order to finance a number of the programs that we have in place, are suffering. They are losing faith. They are being crushed by that taxation burden. I am talking about the 34, I think it is, tax increases and the goods and services tax which is not any more popular today, I can assure you, than it was when it was implemented. I predict that tax is gone.

What is worse, I am talking about the middle class and the crushing burden that they are suffering. If we look at the taxes that are being paid by the poor, proportionately they are paying a greater share. That is happening in spite of the fact that there are a number of Canadians who are earning extremely high remuneration and who are paying very little or no tax. In a number of cases there are companies that are doing very, very well but are paying very little or no tax.

Canadians are angry. They are tired. They feel that this system is not fair. When you see a cap on CAP, such as this program, you see the unfairness. It is simply exacerbated by tax measures such as those.

Some of you will recall the clawback on the seniors, the clawback on the family allowance programs and the fact that it will become increasingly serious over time. Initially a lot of people looked at it very quickly and said: "Well, what is the problem?" The problem is that over time more and more people will be clawed back at a much smaller salary. That will become increasingly serious. Those Canadians who took it lightly will realize in another 10 to 20 years that that was another Draconian measure.

The whole system is rife with unfair taxation measures. Let me give a couple of examples. Between people who are married and people who are living in a common law relationship, there is an advantage in being in a common law relationship from a taxation perspective. I do not want married people to suffer more and I certainly do not want the people who are living in common law to be penalized as are the married people. I think, however, if one has a legal relationship, and those are legal relationships, surely the taxation should not favour one or the other. Surely what is good for one ought to be good for the other.

Let me give another example. People who have receipted day care receive certain taxation benefits, while those who choose to stay at home, are able to stay at home or want to stay at home do not get the same kinds of benefits. People know that. People get angry when they see this kind of unfairness, this kind of injustice, and they want change.

[*Translation*]

Often, we hear that certain measures are taken or bills introduced in order to control the deficit and the debt. However, the deficit has been about $30 billion for a number of years and this year it seems it will probably be more than that. I have here a document signed by the former Minister of Finance, Mr. Wilson, in which he

indicated that the debt was $170 billion—which is a lot of money—in 1984, when the Conservative Party formed the new government. I believe the debt is now well over $400 billion.

So Canadians are saying: Look at all those tax increases. If those tax increases had been instrumental in reducing the deficit and the debt, I am sure they would be far more willing to accept what is happening now. But there has been no improvement. Things have got worse, and they do not like that.

[*English*]

What really gets me and a number of Canadians angry is the boast of the Conservatives that they are controlling their expenditures. They argue the cap on CAP and fewer transfers of dollars for health and education is helping to control the deficit and the debt. We have talked about the billions of dollars over the period of time that those transfer payments have been changed for health and education. From 1986 to 1995 we are talking roughly 30 billion fewer dollars for health and education. I think it is $20 billion less for health and $10 billion less for education.

What is happening is that they are exercising a certain amount of control, but it is on the backs of the provinces, territories and the citizens in those particular localities. To boast that one is controlling the debt by transferring it to one's neighbour is a very empty boast indeed.

Let me say to you, Mr. Speaker, to my colleagues and to those who are listening, we need to relook. We need to examine again. We need to study in a very serious kind of way the linkages that there are and ought to be between economic development and social development. We need to be sensitive to those who have less. We need to recognize that by denying them that which they need to contribute to a greater quality of life, one that is often lacking in many instances, we are denying ourselves. We are denying the whole country. We are not only penalizing them but penalizing Canadians generally because they cannot participate fully in the work force. It heightens the tensions that we already have in this country.

We need a balance. We need a balance between economic development and social development. I am delighted that my party has taken this question very seriously, as well as the question of fair taxation and that it has been working for months to try to advance something that will be more sensitive, fairer and more acceptable to Canadians. I look forward to those announcements very shortly.

• (1140)

I want to complete my address on two notes. I want us to realize that when we are not sensitive to those who have less, we are in fact cheating ourselves as Canadians and cheating our country. That is not the intent. That is what is happening. If you look at children who are poor, you recognize that it is a vicious cycle and that they do very poorly in school, generally speaking. What is the future for them?

I know that I have come to the end of my allotted time. I am saddened that this appears to be proceeding because I see no positive benefits whatsoever. I think it is particularly sad that this year, 1992, when Canada will be celebrating its 125th birthday and we ought to be celebrating that which we have accomplished for those who have less, unfortunately, *ce n'est pas le cas*.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to thank my colleague for articulating so well the linkage between social and economic development in this policy-making process. That was precisely the point I was trying to make earlier with the NDP. If we have a strong focus on the economic development instruments in this country, it is much easier to meet the social objectives that I know all members of this House are trying to achieve.

One reason I am so disturbed about this particular debate is because I believe that we are going beyond the power curve in our cutbacks. In other words, it is like an airplane that is taking a deep dive and, as can be seen during air shows, if that pilot does not turn it around at a certain point and it goes beyond the power curve, it is impossible to pull it out. Indeed, it is a year and a half ahead of its inflation targets. It has gone beyond the power curve in terms of ratcheting down inflation and other things. In terms of unemployment, I think we are only 200,000 or 300,000 people away from a revolution in this country. People are starting to say quite openly that our institutions are not working. They are not functioning.

My question is to the member who articulated so well about the despair that many people in his community are feeling. It is the same despair that people in my community are feeling. Does he believe that our focus in this House of Commons this week should be figuring out ways to put people back to work immediately so that once the economic equation is working productively again, it would be much easier for us to meet all the social objectives and values that we have held so near and dear in this country?

[*Translation*]

Mr. Duhamel: Mr. Speaker, I want to thank the hon. member for his question.

[*English*]

Yes, I believe that it is extremely important. I would even say it is essential to devote this week and whatever additional time we need in order to see how we can get people back to work for a number of reasons. Obviously, quite apart from the benefits that come from employment, there is a satisfaction that people would feel about being back to work. The impact it would have on the families and on the partner and the children can never, never be underestimated.

I talked to my constituents before Christmas and just recently. The single greatest concern they have is making sure that people who are unemployed are back to work, that they have meaningful jobs. Second, that they are able to keep their own jobs. There is a great fear out there as you see your neighbour lose his or her job that you are going to be next.

It would re-establish confidence in the future for themselves because they would feel "I have had a productive life. My neighbours have. We want to retire with some dignity". That is being attacked as well because there is such a lack of confidence in the country.

The people not only fear for their jobs today, their jobs tomorrow, but their future. As well, they fear for the future of their children. They wonder whether or not their children will be able to get jobs and, if they are able to get jobs, whether they will be meaningful jobs that will tap the potential and the talents they have and whether or not that will be able to continue into the future.

For all of those reasons, I would suggest that we have to spend this week and as much time as we need to develop creative ways to ensure that people get jobs, that people are put back to work and are off social assistance programs, that people no longer need to go to food banks, people can find a vitality, a new reason for living and a new hope that this country will in fact provide for all of those who want to work, who want to contribute significantly to this nation and to its future.

Yes, there can be no more important goal this week than have this whole House attempt to determine ways of getting Canadians back to work and to restore confidence in our nation as we celebrate our 125th birthday together.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I rise to again speak on this bill which is an attempt by the government to pass on to the provinces and, therefore, to the more unfortunate people of Canada budgetary cuts. It is also an attack on one of the pieces of social legislation that has united Canada and brought Canadians together. It comes at a time when Canada is having to debate its very existence.

We had better go back and take a look at what the Canada Assistance Plan is and what its implementation meant to Canadians. There are two or three aspects of it that I have not heard anyone raise in this House. The Canada Assistance Plan sets out very clearly that the aim is the provision of adequate assistance to and respect of persons in need and the prevention and the removal of the causes of poverty.

The act goes on to say that it will provide services like food and shelter, special care homes and a range of welfare services. These welfare services are aimed at the removal and prevention of the cause and effect of poverty, child neglect and the dependence on public assistance. We are talking about services that are directed to the most disadvantaged Canadians.

One thing that is fundamentally flawed about this bill is that it is inequitable in its application. It singles out the poor children and the unemployed in three provinces only, Alberta, B.C. and Ontario, at a time when we are trying to build a concept of national unity. We are being asked to pass a piece of legislation in this House that fundamentally attacks and singles out people in three provinces. It applies a different standard to them.

The preamble to the legislation says that these are the concern of all Canadians. That is in the preamble of the Canada Assistance Plan, and yet this government presents a piece of legislation that says: "We are not concerned about all Canadians. We are going to single out Canadians in Ontario, Alberta, British Columbia, and handle them differently". This is particularly galling at a time when at least 50 per cent of the children living in poverty are living in those three provinces, at a time when deindustrialization that is taking place in Ontario because of the mismanagement of the economy by the government is causing untold personal tragedies as well as economic tragedies.

• (1150)

There are other elements of the Canada Assistance Plan that I think are equally as important that I have not heard people discuss. I have been involved in public welfare administration for most of my adult life. When I first started out working in public welfare, prior to the introduction of the Canada Assistance Plan, we had all sorts of resident requirements for people applying for assistance, for children coming into care.

In British Columbia you had to determine whether the person was the responsibility of the province of British Columbia. You had to determine their last place of residence for one full year without drawing public assistance. If that was in Ontario, you billed back the province of Ontario.

All sorts of bureaucracies grew up tracing who was legally responsible for providing assistance to that person, not only by province but often by municipality. The Canada Assistance Plan came in and as part of that package, it said you will receive assistance where you are, the costs will be picked up by the federal government, 50 per cent, and we will get rid of this terrible bureaucracy that tries to treat Canadians not as Canadians but as a residents of Ontario, Manitoba or Saskatchewan.

This government by this act is opening up the whole question: Should these provinces which are now limited to 5 per cent expansion sit there and determine that a person is really a resident of Saskatchewan. He has come to B.C. to look for work but we are now forced to pay 100 per cent of the assistance for this person. Maybe we had better repatriate him to Saskatchewan, which they used to do, or bill the government of Saskatchewan for its share of the income assistance, or Nova Scotia or Newfoundland.

I do not think this government understands the path it has started down with this type of legislation. It destroys the whole concept that a Canadian is a Canadian is a Canadian regardless of where they are and that they are entitled to services in every part of this country, regardless of where they lived in the past, and there will not be financial billing back and forth between the provinces based on individual cases.

It would be a shame if another one of our social safety nets was eroded such as the threat that is now going on to our health care system because of this government's unilateral cutbacks to transfer payments.

What is the effect of these transfer payments? In Ontario this year under the cap on CAP there is a loss of revenue of $415 million. In 1991–92, it is $1.2 billion. In British Columbia it was over $40 million the first year. This year it is about $160 million and over the five-year period of this bill it will be $1.2 billion.

This government talks about the deficits being run up by some of the provincial governments, but these deficits are in large part simply the deficit that this government has transferred on to them.

This year in the province of British Columbia, the deficit of $1.7 billion is made up 67 per cent by the loss of transfer payments for EPF and CAP to the provincial government or the loss of revenue of $1.1 billion out of a total deficit of $1.7 billion.

The government has not solved the budgetary crisis or the debt crisis. It has simply passed it on to the provinces. The provinces are having to try and provide the services in a particular context. What is that context? It is a context of a shattered economy, a context of dramatic growth in unemployment, a context where many people who are working are still entitled to public assistance because the wages have been driven down, where there are part-time jobs, minimum wage jobs on which you cannot support your family.

Ontario has suffered the worst because of this recession. Because of the free trade agreement, the GST and the high Canadian dollar, the industrial heartland of Ontario has been devastated. Don Richmond, the commissioner for the Metropolitan Toronto Commission, points out that we are about where we were in 1938–39 in the midst of the Depression.

The number of people on income assistance rose from a little over 750,000 to well over 1 billion by 1992. The case load in Toronto is over 100,000, 3,000 more people a month; total individuals just under 300,000.

Ottawa–Carleton, an area that has suffered equally, has had an increase of 42 per cent. The increase to property tax owners is going from $290 million to $350 million; $12 million of that will be on property taxes. This government has taken programs and transferred them not only to provincial costs, but down to the municipal costs.

We talk about affordable housing. Anything the government did yesterday to make housing more affordable, it has undone with this piece of legislation because the costs in some provinces go directly on to the cost of owning a house. In Ontario it is through increased taxation. It is as important to be able to maintain that home as it is to purchase the home.

In British Columbia there is also an increase in people seeking income assistance. It has now reached the same point that it was during the recession of the early 1980s. Up until this point, B.C. has not felt the same impact of the recession as the industrial heartland in Ontario. In spite of that, it is now experiencing income assistance case loads that were equal to the height of the recession in the early 1980s.

• (1200)

At the same time, there are all sorts of other services other than direct assistance to individuals in terms of income assistance that are provided on our Canada Assistance Plan. I want to talk a bit about the flimflam and the hypocrisy of the government's actions in this as it relates to one of its pet things, which is violence against women or within families.

With a great ballyhoo, five different cabinet ministers made parallel announcements across this country that they were going to spend $137 million over five years. The bulk of that money is going to be spent long after they are defeated and gone from power. Very little of that money, less than $20 million, is to be spent this year. About the same amount is for the next fiscal year and the rest is for some time off in Never Never Land.

At the same time it is taking $1.2 billion from Ontario and $1.2 billion over five years in British Columbia. In Ontario it is $1.2 billion in one year and somewhere in the neighbourhood of several billion dollars over the five-year period. Here it is making this to-do that it is going to put in $137 million for violence within families and against women while it is cutting back hundreds and hundreds of times more money which is used for those specific services. These are the services that provide transition houses for battered women. These are the services that provide counselling for families. These are the services that provide protection for children who have been battered, abused and neglected.

It has the gall and hypocrisy to stand up and with much fanfare make an announcement it is spending this money when in fact it is putting children at risk by ensuring that services are not available at the provincial level. It is cutting back the moneys by hundreds and hundreds of times. It is putting children at risk. It is putting abused women at risk. It is putting families at risk. I think the Canadian public is sick and tired of this approach.

The government says: "We have no alternative. We have got to get control of the deficit". Yes, the deficit is a serious problem. It is a problem that has been put upon Canadians by two successive governments over the last 10 years. Yes, the government should have had control over it but it was not expenditures on social programs that have driven up this deficit and this debt. Six percent of the increase is because of social programs. Forty-four per cent is because of tax breaks to the multinational corporations and to the wealthy that have been brought in by the last two governments. Fifty per cent is because of debt charges mainly due to the policy of the Tory government. High interest rates have been maintained and are still being maintained to this day by that government. We have to solve the problems. We have to get people back to work. I want to outline two or three things that we in the New Democratic Party are suggesting be done immediately.

Get the dollar down. Let us get our export industry working. Let us have the dollar drop down to a realistic value. Let us get rid of the GST. The GST is the single most destructive thing for this economy in the last 10 years. Canadians are going to the United States to shop. I have talked to people in my constituency. Surrey borders on the United States. These people tell me: "It

may even be costing me money to go across the line to buy something, but by God I don't have to pay the GST. I'm going to show the government what I think of the GST by going across the border to shop". They are voting on the GST with their feet by crossing the border to shop. The government does not seem to get that through its head. The impact of that is tremendous on Canada because the bulk of the Canadian population lives within 50 miles of the American border.

Get rid of the free trade deal.

Those are three concrete things. I could go on with other alternatives. This government has simply got to ensure that Canadians in every province are back working.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, first of all, no matter what side of the House one is on or what side of the question one is on, I think everyone would agree that the member for Surrey North shows great tenacity and at the same time sincerity on this issue. He has brought this to caucus on more than one occasion, saying this is an issue that we should address and give higher priority.

My question is very simple. Consider Bill C-21, Bill C-28, Bill C-69, Bill C-32 and other bills which I do not have the appropriate numbers for. Basically they are saying and doing the same thing. How long do we have? How much time is there before the erosion becomes literally an avalanche and our social assistance programs are completely deteriorated to a point of no return?

Mr. Karpoff: It is very difficult to say exactly how long we have. My feeling is that we have maybe one or two more years, particularly if the economy remains the same as it is now. What the Tory government has done is create a recession. It has changed the UIC rules which meant that fewer people qualified for UIC for shorter periods of time. Therefore, they had to go on income assistance sooner and for longer periods of time. They have simply changed the UIC rules in a manner that put the load again on the provinces and the local governments.

I think the real reason why we are short of time deals with the concept of Canada. Canadians could feel proud of their social programs. That was one of the things that united us. They knew that they could go to British Columbia and be entitled to income assistance no matter where they were from. This government, however, has said: "No, we are going to make a differentiation among Canadians by province. We are going to penalize the poor in three provinces. We are going to penalize battered women in three provinces". It is this concept, the erosion of our social fabric, that is probably the single greatest threat to Canada.

• (1210)

People are saying: "We had a concept of Canada. We had an understanding of services such as health care, income assistance, job training programs and services to children who were in jeopardy. It was based on the federal government being involved and being concerned about all its citizens. It has destroyed all of that".

One hears the provinces saying: "If you are going to cut off our money and we are still expected to pick up the people who are coming from Newfoundland and Manitoba why don't we just pull out and run on our own? What is the point of belonging to Canada?"

That is what is undermining a great deal of Canadians' confidence in this government. They do not see this government understanding the fabric of the Canadian society and the commitment that Canadians have to social programs.

Canadians will express this in the next election by bringing the greatest defeat of any Canadian government in the history of Canada.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I rise in this very important debate. I have to say it is one of the most important debates that I have ever heard in this House. The government opposite will have a lot to explain to Canadians particularly as it relates to this bill.

Most Canadians who are listening know that this is Bill C-32, just a simple and innocuous bill. We have had 17 minutes in third reading from the Opposition. The Minister of State for Finance, oddly enough, is from Ontario where this bill is going to hurt so many, at least 1 million people, because of this minister's lack of ability to understand what this problem is all about.

I cannot believe on third reading that we have not heard from certain Conservative members of Parliament: 46 from Ontario, 12 from British Columbia and 22 from Alberta. This bill is directly affecting the people in those provinces.

I am not talking about new programs. I am not taking about day care which was promised by this government in two elections and should have been in the Canadian system by now. I am not talking about that. I am talking about social assistance.

Because I am talking about social assistance I wish to go back and explain for the benefit of the Canadian people what the Canada Assistance program is. The best place to take this definition from is from the government's own Canada Assistance Plan annual report. I will say something about this before I give the people an explanation of the Canada Assistance program.

The basis of the annual report is four pages. This is an annual report on one of the best programs and one of the best models of federal-provincial co-operation. It is the best program for a social safety net for Canadians. It is an example to the world of what our social programs are.

Oddly enough the annual report for this was combined. This is what the government loves to do. I have seen it for Fisheries and others. It combined three fiscal years in four pages. What fiscal years did it combine? The most prosperous years that Canada has had in probably 15 years were 1986-87, 1987-88, 1988-89. This government could not even take a report in one year and try to see how the Canada Assistance program in good times might be made more flexible for tough times. But no, it comes in February of 1990—and I spoke immediately after that in the House on it—with a cap on the Canada Assistance program for the have provinces.

Canadians should realize, and we have 10 provinces and two territories, that when the Canadian government collects all the taxes, it has agreed to provide under the Established Programs Financing a return and a transfer payment to the have not provinces under the equalization program. In February 1990, seven provinces received transfer payments under the Established Programs Financing. The three provinces that did not need it were Alberta, B.C. and Ontario.

Mr. Wilson, the then Minister of Finance representing downtown Toronto—where there is so much suffering today with the economic policy and programs of the Conservative government—capped the payments under Canada Assistance at 5 per cent for two fiscal years for those three provinces.

The federal government may have wanted to stop any growth in new payments to provinces that it would have to pay out, but I am sure it did not mean to cap the social assistance that is needed in tough times. That is exactly what it did. Then the next year in the budget the same minister capped it again, or was it the new minister. I cannot remember. That is the bill that we have before us. The government capped it until 1994-95.

We see here an unimaginative government which combines the reports for the Canada Assistance program into one report given at the end of 1989 without any imagination. It is the largest cabinet we could possibly have with the least amount of work coming from it. We see a report of the most important universal program that we have in Canada, combined into three reports, with no new ideas coming from it except a budget in 1990 that puts a cap on the have provinces.

Who would have expected what happened as a result of this? I will get to that.

However, because my area is perhaps quite aware of the Canada Assistance program, I want to tell Canadians that this was a model in Canada of the federal and provincial governments working together. In 1966, my party's former government of Mr. Pearson came up with the Canada Assistance program. I am reading from the report, and I wish the government members would read it: "The Canada Assistance Plan was enacted in 1966 to encourage the development and extension of assistance and welfare services throughout Canada. Under the plan, the federal government has entered into agreements with the provinces and territories to share the costs incurred by the provinces". There you have the first safeguard: The province must put up the dollars first. The province must put up the 50-cent dollars before the federal government has to enter into a national type program.

This applies not only to the provinces, but to municipalities too. As everyone in this House knows, the municipalities first see the people in need at that local level. They see the need for social assistance and welfare services for needy Canadians.

I do not think I can stand here in this House and believe that today we are seeing the worst of what we call needy Canadians. We do not see jobs. We do not see an application of money to job creation and we do not see any new ideas. The Minister of Finance says that interest rates have gone down. Why have interest rates gone down? There is no demand. Interest rates will have to go down a lot further before ordinary Canadians can take advantage of them. Maybe big business or the government's friends who like to spend their Canadian dollars in the United States are benefiting. Certainly the Canadian dollar has not gone down enough to enable it to be spent on our natural resources to keep the people working.

• (1220)

Let me just tell you what the CAP covers. It covers persons who benefit from assistance and welfare services, including children who are in care or are in need of protection due to abuse or neglect. There are more children in Canada being neglected, particularly in the have provinces because their CAP has expired. It expired in Ontario and we heard the premier say that he cannot go it alone. Lift the cap and give us our social assistance under CAP.

In B.C. it expired and in Alberta it expires in early March. Do the people have to suffer because of the inability of this government to be flexible? I cannot say that this is an example of good government. I can say that I only saw one person rise on the other side to justify this government's policy. I would like to hear them tell me that people are not going to bed without shelter or food. I would like to hear them say that the 1 million who are on social assistance in Ontario are not hungry tonight. I would like to know if they have gone to a welfare office in the last week and asked how many people came to that door or how many people came looking for assistance from their constituency offices. That is the hard crunch that members of Parliament, members of the legislature, municipal council and town councillors have to go through because of the cap.

In February 1990 they did another thing. Under the established programs they capped a limit. Perhaps in many respects that is needed. But I do not feel it is needed when it is truly social assistance.

In my own province the government of the day brought in PharmaCare for seniors. This year seniors were asked to contribute. I can perhaps see the rationale for asking seniors to contribute a $3 fee for their pharmaceutical needs. It is perhaps justified in tough economic times. I cannot see cutting back to welfare recipients.

I just want to go back to some of the other programs that were capped. I think Canadians should see this. It was interesting, if anyone saw or read about what happened in Montreal this weekend. People came out and talked about federal-provincial programs that worked. Why are we, without a big debate, talking about doing away with this universality here in this House?

What else does it provide? It provides assistance for one parent families, the aged, the unemployed, and families or individuals in crisis. It provides for low income workers, battered women and mentally and physically disabled people.

It goes back to its primary objective. It was to support the provision by provinces of welfare services designed to lessen, remove or prevent the causes and effects of poverty, child neglect or dependence on public assistance.

It is capped in a province like Ontario supposedly because we were told by the minister that we have to taper.

We had the high interest rate because Ontario was in an overheated economy. They cap CAP. A year later Ontario is in a depression because there are no jobs. Free trade has done away with most of the jobs. It was implemented in such a way that the government absolutely could care less about where the jobs were being lost. There was a high Canadian dollar when the free trade agreement was being implemented, and a high Canadian dollar for our natural resources was just not going to keep most of those jobs going.

Rio Algom just closed because of the high Canadian dollar and the international price of tin. You may not be able to control the international price of tin, but this government can control a high Canadian dollar. It does nothing to help or protect fisheries, the price of fish or the price of anything we export.

The only time the high Canadian dollar helps is when you want to go to the United States to spend our Canadian dollars. I say that if Canadians can afford to go to the United States, they can afford to take the breaks of the lower dollar.

Mr. Speaker, I know my time is running out, but I just want to go back and challenge those 46 members from Ontario. I challenge them. If you look at the press today, it reports on the court's victory, but this is the government's victory, and people misinterpret it. The government can do what it wants to do. The Supreme Court said it could cut its assistance under the Canada Assistance program unilaterally, but that is not what you call federal-provincial co-operation.

It cut it unilaterally to Ontario, B.C. and Alberta. Since the court victory, Ontario and B.C. have had to pay back because they took out of CAP. They were paid by the Canada Assistance program 50 cents to match their 50 cents. They had to pay back last month in Ontario. Ottawa made its last payment to Ontario for its 1991-92 fiscal year because it had already reached its cap. Social assistance demands in Ontario rose by more than 17 per cent.

When Ontario is not feeling good, Mr. Speaker, it affects my area. Because of the way our country is, if Ontario is not in a prosperous mode, then the Atlantic is not going to be. We have always benefited from Ontario being in a prosperous mode. As Ontario goes down, you can imagine what it is going to do to the general revenues that would go into the equalization program.

I can imagine what is going to happen in the budget. It does not take much, but at the same time, with some degree of imagination this government could have looked at CAP in the good years when it only did a four page report for three fiscal years. It could have looked at some way of putting flexibility within the Canada Assistance Plan. We have not had the devastation of those who are most in need today: the poor, the jobless, the single woman under 65 and those people right across Canada who are suffering from a lack of imagination.

Why can it not take the money it is going to put into the UI fund because it is being over-run? Why can it not put the money into the UI fund for job creation as my leader has said so well. Put it into infrastructure, sewers, the environment and water supplies. Let the infrastructure be there in all those communities across Canada because people want to work. Give people work and we will be able to go on when the good times come back because, from all reports, they are just around the corner. But it is getting to that corner that is so devastating to the people across Canada.

• (1230)

Mr. Howard Crosby (Halifax West): Mr. Speaker, I do not want to challenge anything my hon. colleague from Nova Scotia has said about social assistance and other social programs, but I want her and others to know that the reality of life in Canada is that the greatest threat to social programs is a bankrupt national treasury. If our financial statements show horrendous debts and our annual financial statements show horrendous deficits, we will not be able to fund the social programs that Canadians have enjoyed in the past and it is as simple as that. There is no money. There is no money available for new social programs. All members who advocate greater expenditures at this time on the social programs and increased payments for social programs are simply heading the country toward bankruptcy. Then there will be no social programs whatsoever. I hope the beneficiaries of the social programs realize that they will receive no benefit from those who advocate expenditures of funds that the public cannot produce through taxes and other means.

I want to ask the hon. member a question. Let me explain it this way. The New Democratic Party members constantly demand greater expenditures and when you ask where we will get the money, they invariably say two things. First they say to reduce expenditures on national defence. We have a world-wide situation which may mean that we do not have to spend as much on national defence. This is the so-called peace dividend.

I want the member to stand up in the House and answer this question. Does she believe we should dramatically reduce expenditures on national defence? She knows the havoc that can wreak at Cornwallis.

Second, I would like to ask her if she thinks we should increase taxation to pay for social programs. Never mind the sermon about infrastructure. We all know about that. That has nothing to do with the matter before the House.

What she has contended is that we can continue to fund and increase the funding for social programs. I want to know where she thinks we should get the money. Does she believe we should get it from national defence expenditures or should we tax the rich as the NDP say?

Mrs. Campbell (South West Nova): Let me just say to the hon. member that as far as cutting defence, this government came out with the statement in September that it wanted to do more cutting. It had a new white paper that would set up a new committee, but two years before it had a white paper that said it was going to do something else.

I do not want to get really tied up in that.

Cornwallis, in case the member does not realize it, is our only basic recruit training base. It serves all three forces very well and is not costly in terms of a $12.8 million budget.

I just think that a $12.8 million budget today may have to be looked at in light of the changing world. We are always going to need new recruit training, so let us leave Cornwallis with that. I am sure the hon. member would agree with me.

You could find other needs for Cornwallis. You could put in the UN peacekeeping, as the committee to save Cornwallis has said. I do not want to waste my time because he has challenged me on other things. I have a list and I will send it to him and any newspaper that wants it. I presented such a thing to the minister's committee.

There are areas of taxation that we could perhaps do away with. We would have to do away with all the business lunches and all the perks that businesses have and cut back there. Maybe that might give us a little more revenue somewhere else. Maybe we have to look at other things that the Economic Council of Canada has recommended and not been acted on by this government.

I want to say something on the other side, and I want to be positive about this. If we cut and reduce the Canadian dollar, we will allow our natural resources and businesses to get going again and create jobs. As jobs are created there will be more people who pay taxes which come back into the coffers. Use the UI fund for job creation instead of paying people UI out of general revenues. You can do so much training and then there is no job after their months or year of training. There have to be jobs. Get people working. Put in an infrastructure. Finally, do not believe that this government or any government can put its ills and its lack of imagination to find a way out of this, on the backs of the needy, the poor, the children, the old, the women under 65 with no income and the jobless. We have never seen so many permanent jobless with nothing coming to them from any level of government. You just have to go to Yarmouth and see what has happened to a town that was supposedly booming, according to *Maclean's* three or four years ago.

We do not have to put that burden on the poor. If you want to sit down, I will tell you some of the other areas that I would cut.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I may point out that we have now had five hours of debate.

[*English*]

It is now time for 10 minute speeches without a question or comment period.

Ms. Mary Clancy (Halifax): Mr. Speaker, I would like to begin my remarks by complimenting my colleague, the hon. member for South West Nova, and say that I am proud to serve with her. I agree 100 per cent with every comment she has made and I salute her.

Mr. Crosby: Including cutting national defence.

Ms. Clancy: I do not think the hon. member for South West Nova, who happens to be the member for one of the largest training bases in this country, was saying that, but if the hon. member for Halifax West understands it that way, I suggest he check his comprehension.

I begin my remarks by saying that during the Christmas break I happened to read a new book called *Conversations with Canadians* by Knowlton Nash. One of the conversations was with Robin MacNeil of the U.S. Public Broadcasting System, MacNeil–Leher Report. He is a son of Nova Scotia, as many of you may be aware, a writer and broadcaster. They talked about George Bush's theory of a kinder, gentler America. Robin MacNeil responded that there is a kinder, gentler America and that place is Canada.

I agree with that up to a point. There is a kinder, gentler America that is Canada or, sadly, there was. Unfortunately what we are seeing and what we have seen over the past six years is an attempt to dismantle this kinder, gentler country. One of the things that will dismantle it very quickly is the end of the social safety net upon which Canadians depend and of which Canadians are so justly proud.

Putting a cap on CAP effectively is saying to the citizens of this country that we as a country and a nation are one of the most favoured on the face of the earth. We are one of the nations with the highest standard of living and the largest number of resources. Everyone of us in this Chamber knows what our benefits are. Yes, we have problems, largely of our making, and I am not apportioning blame on that side. We of all political stripes, from every region, province and territory of this country have to take a share in how we might be messing up the country. This is why we now have to work together to pull it together. But we are a favoured and blessed country, no question, on the world scene. We are favoured and blessed as opposed to our neighbour to the south.

A country will only maintain its greatness and its favoured status when it can be judged favourably in the way it treats its least fortunate and weakest members. There are Canadians who are never going to be able to function in the Thatcherite, Reaganite, Mulroneyite free market kind of economy that this country has been pushed toward.

My colleague from Halifax West said, in response to my colleague from South West Nova, that you cannot do anything with a huge deficit and a bankrupt government. I could not agree more. No one disagrees with that. The deficit is a terrible burden.

• (1240)

It has been six years, and the deficit grows. There have been six years of these policies and it is not getting smaller. It is not helping—

Mr. Gustafson: Who created the deficit?

Mr. Halliday: It is the interest rates.

Mrs. Clancy: I thought the interest rates went down, my hon. friend over there, the hon. doctor. But you will have your time, the hon. member from over there. If you know the answer, why can you not fix it? You have had six years and you have not done anything. It is getting worse. I must have struck a nerve. They were not talking at all for a while, now they are all talking. I think they should speak on this in their own time. However, they have not solved this.

The Minister of Finance told us the other day we are faced with a 60-day freeze, and what is cut? What is always cut? Social programs to help the less fortunate; programs that reflect on our national characteristic of compassion are cut. Why?

I do not believe that my colleagues on the other side of the House want to think about people who are forced out of their homes and living in piano boxes, if they are lucky. They are living under bridges, if they are lucky, and in the streets from one end of this country to the other. I know that none of the members over there approves of that or wants to see it, but it is happening. You cannot pretend it is not happening. It is there.

Let me tell you this. The other night in Halifax, when we had the biggest snowfall in the maritime region in 30 years, I was talking on the telephone to my friends because none of us could come out of our homes. We were lucky we had homes to be in. A number of people wondered what was happening that night to those homeless people that we see on the streets. Where were they? Three feet of snow fell on the city of Halifax. Thank God there were church shelters, temporary shelters, Salvation Army shelters and the like to take them in.

This is a temporary response. The churches and the charitable institutions cannot be expected, with their limited means and limited base, to take over what is the responsibility of every Canadian, and consequently has to be the responsibility of government. You cannot back off and abdicate your responsibility and say: "Let them starve. Let them eat cake. Let the charities take care of it". It will not work. We have seen more poverty and want in this country in the last six years than we have seen since the Great Depression.

I was born many years after the Great Depression, but my family lived through it, mostly in the coal mining towns of Cape Breton. I heard about what it was like. I heard about children starving to death. I heard about people freezing to death for want of heat and light. It is programs like the Canada Assistance Plan that provide a buffer against that kind of horror.

I stand here today proud of my country. I am passionately committed to my country and utterly determined that it is going to come through the crisis it is in, a better place than it was before. It will be a country that comprehends our regional, language and cultural differences. It will be one in which all Canadians can be strong together. But you know, it does not matter if we preserve our cultures and our two great languages. It does not matter what we do with any of these things, or whether we have asymmetrical federalism or an elected Senate. It does not matter to any of us as the duly elected representatives of the people, if there are people starving, going without, and living in want from Victoria to St. John's, from Windsor to Inuvik, because we are responsible. As responsible people we must continue to support the Canada Assistance Plan and not see it diminished nor allow our social safety net to be taken away. This is a Canadian heritage and a Canadian trust that is as important as our languages and our cultures and any of

our other institutions, and we must preserve it. It is not a question of "should we", it is a question of "we must". Anything less is unacceptable.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, as we resume debate on this bill today, I just want to reiterate a little bit of history here. It was back in 1966 when this bill was introduced into the House. As a matter of fact, on April 4, 1966, the Hon. Allan J. MacEachen, who was then Minister of National Health and Welfare, rose in his place in this House and stated that he was moving:

> That the House go into committee at the next sitting to consider the following resolution which has been recommended to the House by His Excellency.

It went on to outline in that resolution the things that were going to be covered by the bill that would follow. The resolution stated:

> It is expedient to introduce a measure to be known as the Canada Assistance Plan to establish a program for sharing with the provinces in the cost of assistance, including health care and welfare services provided to or in respect of persons in need, including mothers and children, older persons, disabled persons and unemployed persons who are in need, and in the cost of developing and improving assistance in welfare services programs, including child and youth welfare programs throughout Canada.

At this stage I would just like to comment that these provisions were necessary because after coming out of the Depression of the 1930s, it was clearly visible in anybody's mind that the provinces could not afford all these social services that were required by the residents of their individual provinces. This was another way during the Pearson administration in 1966 that the government of the day provided for assistance to those provinces to help them out in the tremendous costs that they had to bear in these fields.

The bill also stated and I quote:

> —provided for the making of arrangements for extending provincial welfare programs with the approval of Indian bands to Indians with reserve status and for the making of payments to the provinces with respect to the cost of so extending those programs, to provide for the making of payments to the provinces with respect to the cost of specialized projects for assisting and rehabilitating persons in need or likely to become persons in need who have unusual difficulty in obtaining or holding employment, to provide for amendments to the Old Age Assistance Act, the Blind Persons Act, the Disabled Persons Act and the Unemployment Assistance Act, that are incidental to or consequential on the introduction of the Canada Assistance Plan, and to provide further for the extension of the Established Programs (Interim Arrangements) Act to the Canada Assistance Plan.

The reason why I listed those was simply to put right up front the importance of this legislation that is before the House today. If the federal government is going to move away from that kind of support to the provinces of Canada then with the pressures that are on all levels of government today, which is unfortunately sifting right down to tremendous pressure on municipal governments across the country in terms of social programs, I think it is incumbent upon the federal government to keep faith with the provinces in this country.

• (1250)

My hon. friend from Broadview—Greenwood today got into some economics of what people can afford. People who are employed will provide funds to help finance things such as the Canada Assistance Plan. In this legislation the three provinces that are affected very negatively financially are Ontario, British Columbia and Alberta.

I had a constituent, a businessman, tell me he had been to Toronto recently. He had not been there for some time. He took the usual route from Toronto to Oshawa and on down 401. He said that he could not get over the number of empty office buildings, the number of empty office spaces, the number of empty manufacturing plants in that 40–mile space from Toronto to Oshawa. This tells a story in itself and relates directly to what we are talking about here today.

Ontario has always been looked to in past years to finance at least 40 per cent of the cost of social programs right across the entire country. It is obvious that today Ontario has serious economic problems. Many noted in the press last week that 469,000 jobs have been lost in Ontario. That means those people are not paying income tax to the extent they would normally.

It means that the businesses for which they worked are not paying corporation taxes or business taxes of any kind. That is taking away from the financial structure. It is taking away from the tax base of Ontario. It means that the economic base, the tax base here in Ontario, is eroding terribly. It means that the very tax base of a large part of the Canadian financial structure is not there today.

This is no time for the federal government to be saying to the provinces, and particularly those three provinces that are negatively affected by this bill: "You are going to get less. You are going to be nailed down to a flat sum and at a time when your economic base has eroded, you are going to have to find a way on your own to provide those services for your people", all those services which I originally mentioned when I started my speech.

This is not what you call national leadership in the country. It is saying to individual segments in the country: "You must go it on your own". That is not the way that the constitutional framework of Canada works. Going right back to the deep Depression of the thirties, the Rowell—Sirois commission report of 1937 was put in place to rearrange the taxation methods of the country, to say what taxation areas the provinces should have, what taxation areas the federal government should have, to put the tax system in place because the Depression years totally destroyed the old framework of taxation in Canada.

In closing, I simply want to make this very valid point. History will prove I am correct. There is no way that the national government of this country can go on neglecting its leadership in the financial administration. I maintain that in very short order we will need another royal commission of highly qualified people of this country—judges, financiers—to bring in a new report and to fix the damage that has been done to the allocation of the tax structure of this country by this government.

I hope this report will be done as well as the Rowell-Sirois commission report. If this is not done, this country is in serious straits. The provinces will tend not to look to Ottawa as the leader and this will be bad for the national unity of the country.

The bottom line is that the government must be there to lead.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I had a number of comments I wanted to make on this bill. In order to be able to make my full remarks, and it being five minutes to one, I wonder if the House would be disposed to call it one o'clock, given that there are only six minutes left. If not, I will interrupt my remarks and make them in part this morning and in part this afternoon. Can I ask for the unanimous consent to call it one o'clock so that I may be able to make my remarks uninterrupted?

[*Translation*]

The Acting Speaker (Mr. DeBlois): Is there unanimous consent for suspending the sitting and resuming debate at 2 p.m? Is there unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): I will therefore suspend the sitting until two o'clock this afternoon.

At 12.46 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

DRUG ABUSE

Mr. Sergio Marchi (York West): Mr. Speaker, the proliferation of drugs in our communities, school yards and playgrounds has become the calamity of the 1990s. Our youth have become the prime target for the drug trade which not only saps their youth but all too often causes anguish for the families involved.

The increase in the illegal drug trade in metro Toronto, accompanied by the related violence, has worsened of late and has stretched the resources of our local police forces to their limits.

In an effort to help those on the front lines continue their battle against drugs, I urge the government to amend the Narcotics Control Act and share the seized assets as a result of a drug conviction with the local police forces and community organizations, instead of returning all moneys to general revenues.

Along with York West constituents who have helped collect thousands of signatures on petitions to support this campaign, I call upon the government to immediately act upon this community initiative and help end this plague.

This problem will be won or lost on the local battlefields and therefore those waging the fight locally must be given the tools with which to overcome and to ensure victory.

* * *

OLYMPICS

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, as we are on the countdown to the Olympics which officially begin this weekend, I would like to commend and wish our athletes well.

Many of us, including golfers and/or tennis players, took heart with what our Davis Cup team almost did in Vancouver last weekend. Our athletes at Albertville in the Alps are looking and dreaming of their gold, their bronze and their silver. I think it is only correct that as we are spaced out in this country on constitutions that we know we have those athletes who are not spaced out on constitutions but are spaced out on their own physical achievements. We wish them well.

We in this House, Mr. Speaker, deserve special credit because the daughter of a colleague of mine, the hon. member for Calgary Northeast, is on the official Olympic team as a freestyle skier. We wish her and all her companions well. They have faith in themselves, they have faith in their country. We have faith in them, we have faith in this country. We put our hopes in them and we wish them well.

* * *

AEROVOX CANADA INC.

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, the town of Amherst was shocked to learn of the planned closing of Amherst Aerovox, a subsidiary of an American firm. After the initial shock, the town and area are gathering up its resources and fighting back.

Already the Amherst Aerovox Community Committee has raised $100,000 to be used to search for products, partners or new owners for this factory. The team is made up of local business and development people who have knowledge of the industry and contacts which hopefully will prove successful in finding a solution.

The provincial Department of Economic Development is assisting with funding, resource people and material. The federal Department of Industry, Science and Technology has also provided information and assistance. The Cumberland Development Authority is acting as central office for the group. The Amherst and Area Development Commission has provided funding and manpower. The company has added funding as well. Canada Employment and Immigration is providing an industrial adjustment program to help the employees adjust and ACOA has acted quickly and significantly to provide funding and resources.

The search for products, partners and matching businesses has begun and will continue until a solution is found. We will leave no stone unturned to solve this issue in the interests of the 62 employees affected.

* * *

INTERNATIONAL DEVELOPMENT WEEK

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, this is International Development Week in Canada. Again, Development Week falls in the midst of a global recession but this is not the time for Canada to reduce her budget for ODA.

This recession is hurting Canadians deeply, however, as usual the hardest hit are the world's poorest. Rarely have developing countries needed our help more than now.

The United Nations Development Program continues to highlight dramatic disparities between North and South, and UNICEF tells us that one quarter of a million children died last year from starvation or disease.

Canada must not back away from her obligations to the developing world. We must ensure that our development assistance provides the greatest possible benefit to the recipients. The government must work more closely with Canada's development NGOs to ensure that our ODA goals are met.

As final preparations are made for the budget, the government must be reminded of the negative effects for Canada and for developing countries of any cuts or dilution of Canadian ODA. As Canadians, we can make a difference if our government will help us.

* * *

[*Translation*]

OFFICIAL LANGUAGES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, we are off to a bad start for Canada's 125th birthday.

When invitations for the festivities were sent out to Canadians, Quebec's anglophone Canadians received theirs in French only, and one million francophones outside Quebec received theirs in English only. Was this an oversight?

Mr. Speaker, the fact remains that this country has two official languages, and we should respect that fact. One would expect an agency receiving $50 million from the federal government through the responsible department, the Department of the Secretary of State, to do better than that.

The government argues that the organizing committee is independent and accountable only to itself, but the fact remains that it is spending public funds. I think the Official Languages Committee, which has not met since last October, should shed some light on this matter and prevent further unfortunate incidents of this kind. This is an invitation to celebrate Canada's birthday, which is celebrated in both official languages of this country.

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MINING

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the Aur Resources mine in Abitibi, which is part of the Aur-Louvem group, will be operational in 1994, as soon as the infrastructures have been built: two exploration shafts, one pithead and one concentrator with a capacity of 5,000 tons per day.

This represents an investment of $326 million that will stimulate the economy of Val d'Or, located about ten kilometres from the mine. It is expected that 500 well-paying jobs will be created immediately, and the spin-offs of the exploration costs are estimated at $950 million over 14 years.

Mr. James Gill, president of Aur, seems to have succeeded in financing the mine without losing control over the company or diluting its stock. This was a complex operation that required months of negotiation.

Mr. Speaker, the mine's proven reserves are expected to produce revenues totalling $2 billion in Canadian funds during the 14 years it is expected to be in operation.

It is the biggest deposit ever found in this country since the Hemlo deposit was found in northeastern Ontario in the early 80s.

* * *

[*English*]

PEARSON INTERNATIONAL AIRPORT

Mr. Stan Keyes (Hamilton West): Mr. Speaker, the procedure of the environmental assessment hearings into the construction of three additional runways at Canada's most overcrowded airport, Pearson International in Toronto, is quickly drawing to a close. Presentations to the review panel note that Pearson is at its capacity and noise is intolerable.

• (1410)

Transport Canada says the new runways will solve all the problems, but it fails to understand that 3, 5, 10 or 15 new runways will not make a bit of difference. The runways will allow more planes to fly in and out but passengers will not be able to board or deplane because there are not enough gates for the planes.

There is an opportunity to be had here. Instead of wasting millions on new runways at Pearson, Hamilton airport can be developed to handle more air traffic. A GO link could shuttle passengers quickly between Hamilton and Pearson International as is done in other major centres around the world.

Transport Canada and this government must develop a multimodal strategy on transportation with a view to future need, not short-term political gain.

* * *

MACEDONIA

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, last Sunday I had the honour of attending a luncheon in Toronto hosted by businessman John Bitove to meet Macedonian President Kiro Gligorov. President Gligorov was elected to head the newly independent Republic of Macedonia on January 27, 1991.

In 1944, Macedonia was taken over by the federal Yugoslav government. Finally, after a long, suffering struggle spanning almost five decades, Macedonia held a referendum on independence and declared itself independent on November 17, 1991. The overwhelming results freed Macedonia from the shackles of communism and the yoke of Yugoslavia.

It is time for Canada to recognize this proud, independent republic. Without the world's recognition, Macedonians cannot be properly represented on the world stage.

* * *

[*Translation*]

HOME OWNERSHIP

Mr. Yvon Côté (Richmond—Wolfe): Mr. Speaker, the Canada Mortgage and Housing Corporation and our government have just taken a timely initiative that will enable 200,000 Canadians to own a home, by allowing a down payment of 5 per cent instead of 10 per cent to buy a house. This will benefit over 200,000 Canadians, including thousands of Quebecers, who, especially in isolated regions, did not have the income that was previously required for home ownership.

Furthermore, Mr. Speaker, this favorable measure will help get the economy out of our present recession. This finally shows our government's great ability in taking tough measures to fight inflation and to lower interest rates when they were called for. It was unthinkable to bring in such a measure any sooner. However, this government can present incentives for home ownership. I say bravo. There will be more in the budget.

* * *

[*English*]

CHINESE NEW YEAR

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, today is Chinese New Year. Chinese Canadians are celebrating the Year of the Monkey while Vietnamese Canadians celebrate Tête.

The past year has seen more Chinese families reunited through immigration, business investments have increased and young Chinese Canadians continue to excel in scholarship and in professions. Canadians of Chinese origin are making a rich contribution to our multicultural Canada.

Chinese New Year is a time of hope and renewal. Chinese Canadians have waited patiently and worked hard for recognition of past injustices that early settlers suffered as a result of the racist head tax and the Chinese exclusion act. Once again, I call on the government to acknowledge these injustices with appropriate redress.

I also urge all parties to support constitutional amendments that will protect minorities from future discrimination.

May the Year of the Monkey bring a renewed Canada with health, happiness and prosperity for all Canadians. Kong Hai Fatt Choy.

* * *

HOME OWNERSHIP

Mr. Garth Turner (Halton—Peel): Mr. Speaker, yesterday the government approved a plan to allow first-time home buyers to get 95 per cent financing on their real estate purchase.

That is great news. What was not so great was the attempt of the Leader of the Opposition to claim credit for an idea the government has been working on for a very long time. Canadians do not care where the ideas come from. They just want good ones.

Five per cent down is good, as long as home buyers are careful not to over-mortgage themselves. The lowest mortgage rates in over two decades is also a good idea, making this an excellent time to buy.

Finally, being able to use RRSP funds for first-time home purchases is another good idea, supported by many MPs on both sides of the House. We all urge the finance minister to listen, to reflect and just do it in the next budget.

* * *

INTERNATIONAL DEVELOPMENT WEEK

Mrs. Christine Stewart (Northumberland): Mr. Speaker, yes, this week has been proclaimed International Development Week, but it will only be meaningful if the government commits and restates its policy targets of directing Canadian aid to benefit the poorest populations in developing nations.

Linking human rights to aid is laudatory, but only if those already oppressed are not further victimized. It cannot be used as an excuse to cut back on Canada's total aid budget nor cynically to target those developing countries for linked cutbacks that do not bring immediate economic benefits through trade to Canada.

When determining aid policies particular regard must be given to recipient government budgets and policies, their military versus social expenditures, women and child support initiatives, and environment and population problems. The economics of globalization must not continue to dominate our development efforts. Aid must not be conditional to a debt ridden country accepting punitive structural adjustment measures. The emphasis must be put on more substantive debt relief to the world's poorest countries, particularly those in Africa, and on direct poverty alleviation through health and education programs.

Canada's and global security depend on our continuing commitment to the poor of the world. International Development Week can be an important opportunity to strengthen Canadian resolve to that end.

* * *

[*Translation*]

HOME OWNERSHIP

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, $5,000 is now enough to buy a $100,000 house.

The federal government, through the Canada Mortgage and Housing Corporation, is doing its part to help individuals own a home.

The Loan Insurance Program for new home owners will reduce the minimum down payment required for buyers of a first house, whether new or previously built, from 10 per cent to 5 per cent for mortgage loans insured by the Canadian government.

This initiative, which takes effect immediately, will boost the construction industry in Canada for the next two years and give about 200,000 Canadian households which now rent their accommodation the chance to own their home.

Together with lower interest rates and the present state of the real estate market, this program should stimulate the economy and increase the chances of home ownership for many Canadians.

[*English*]

SMALL BUSINESS

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, small business is under considerable strain today for a variety of reasons, one of which I strongly believe is the paper burden we place upon it. Small businesses in my constituency continue to press me to get our government to attack this problem.

I am well aware of the commendable efforts being undertaken by my colleague, the hon. Minister of State for Small Businesses and Tourism. We must not only support his initiatives but assist his efforts by providing feedback to his department from all constituents.

I urge all members of this House to participate in this effort, not to only facilitate productivity and growth in our small business sector but to reduce our costs as well.

* * *

CANADA—UNITED STATES FREE TRADE AGREEMENT

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, prior to the free trade agreement coming into effect in January 1989, Employment Canada had a unit that was responsible for collecting information. Regional offices would phone in daily any closures occurring. This unit was cut due to government cutbacks just prior to the free trade agreement.

Once the free trade agreement was in place, demand for information increased and the government produced a report every two weeks.

In trying to track down this list recently I found that there is only one being compiled. In fact Labour Canada uses this list for its purposes. For example, earlier this month Labour Canada requested a list of closures in Quebec and a handwritten list was supplied.

I think my question is one that we all must ponder. Is the government trying to hide how many permanent lay-offs and lost jobs there have been due to the free trade agreement? If it is not, it has a responsibility to make sure not just parliamentarians but all Canadians know what permanent lay-offs have taken place.

Oral Questions

BUY CANADIAN

Hon. Alan Redway (Don Valley East): Mr. Speaker, if we are as concerned about plant closings and manufacturing job losses as we say we are, why don't we buy Canadian?

In 1980, 73 per cent of the manufactured goods purchased in Canada were made in Canada. Today it is down to only 56 per cent and falling.

The Hudson's Bay Company says it wants to import more U.S. goods to compete with cross-border shopping on price and selection. If Canadian distributors do not market Canadian products and if Canadian retailers do not carry Canadian goods, Canadian consumers do not even have the option to buy the fewer and fewer products that we do manufacture. Sure, price and selection are important, but if we do not have jobs we cannot afford to buy no matter what the price and selection may be.

Fortunately Eaton's has announced a buy Canadian promotion campaign. Will the government join it?

ORAL QUESTION PERIOD

• (1420)

[*English*]

THE ECONOMY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in a new spirit of co-operation I would like to thank the minister responsible for housing for doing his part in implementing the Chrétien plan to get this country working again.

My question, however, is for the Minister of Finance because I would like to know whether other ministers are prepared to put partisan politics aside and do their part to put Canadians back to work. Will the Minister of Finance allow the use of RRSPs to finance first home purchases?

We know the minister is looking at the plan. We are even willing to let the minister take credit for this plan if he will just put Canadians back to work. Why is he stalling on adopting this idea? Why doesn't he make the announcement today to put thousands of Canadians back to work?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as I indicated to the House yesterday, that issue is under active consideration.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I don't know where the minister spent his time during the Christmas vacation, but I do know that there are 1.5 million unemployed Canadians, including some who just lost their jobs in Sarnia, and that 700,000 children depend on food banks. We need a program to rebuild this country. The Liberal program for public works will help rebuild roads, clean up the environment and give industry work to do. Is the Minister of Finance prepared to adopt the five-point Liberal plan and put Canada back to work?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member asks what I was doing over the Christmas recess.

I was working with my colleague, the Minister for International Trade, putting together a deal that helped bail out de Havilland and put it back on a viable sound financial basis. I was working with my colleague, the Minister of Communications, on a book publishing program. I was working on reform of the equalization program for the provinces which particularly helped the poorer provinces, and I was working on a number of other initiatives that we are announcing on an ongoing basis.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I asked whether the minister had a chance during his busy schedule to meet with a million and a half Canadians who are looking for work.

The government has found emergency money for massive polling programs and massive advertising programs. Doesn't the Minister of Finance think it would be a lot smarter to get manufacturing and construction back on track with a national public works program rather than sit there while unemployment increases and food banks multiply?

Since the government has created the recession, why doesn't this Minister of Finance break from past policy and for once adopt the Liberal Party's five-point plan?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as I indicated in the House and on other occasions, I have had extensive consultations with various groups from all walks of life in the preparation of the budget. The seven meetings involved representatives from labour, social groups, poverty groups, the disabled, the Canadian Manufacturers' Association, the Canadian Bankers' Association, trust companies and insurance companies. We heard from them all and they all came through with some very clear themes. One was a very clear theme that Canadians want governments to live within their means. They want us to pay as we go. They do not want new taxes and the do not want higher deficits.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Minister of the Environment. Reports on the depletion of the ozone layer right over Canadians' heads and its impact on the number of cancers are alarming. Last October, in spite of our pressure here in the House, the government refused to act more quickly, which is quite incomprehensible.

Will the minister promise immediately here today to eliminate by 1995 all chemicals that threaten the ozone layer and to put pressure on the rest of the world to do the same?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, the hon. member refers to an environmental situation, or problem, that well illustrates the challenges awaiting us in years to come. We have a problem of ozone depletion, which according to scientific studies is very serious. Canada has always taken the problem very seriously. However, Canada accounts for about 2 per cent of the ozone-depleting gases. Mr. Speaker, that illustrates the kind of problem we will have in future years.

The hon. member seems to be saying that Canada or the government has not paid attention to this problem. Mr. Speaker, I want to tell you very clearly that that is absolutely not so. In fact, Canada is four years ahead of the timetable it set for reducing these substances. We reduced them by 45 per cent from their 1986 levels and we played a leading role, since the first environmental treaty, the Montreal protocol, was signed under this government's authority in 1987.

The Canadian government, Mr. Speaker, intends to maintain its leading role in fighting ozone depletion.

[*English*]

Mr. Paul Martin (LaSalle—Émard): My supplementary question is for the same minister, Mr. Speaker.

Unfortunately we have lost that position of leadership. This is a problem which exists now about Canada. The Germans, the Swedes and the Norwegians are well ahead of us.

However, there is also another question which is of immediate urgency in dealing with the depletion of the ozone layer. The green plan states that Canadians will be provided with warnings of ultraviolet radiation, but only in 1993. That is not good enough.

Will the government undertake to provide Canadians with daily alert warnings as is done in Australia by this April, following what NASA predicts will be a 30 per cent to 40 per cent depletion in the ozone layer and a major rise in the incidence of cancer across the country?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, let me use this opportunity to update the hon. member on what Canada has been doing in this area. In fact we have been instrumental in putting together the Montreal protocol signed in 1987, the world's first environmental international treaty.

We have reduced by 45 per cent the amount of CFCs going into the atmosphere. As a result of that we are now four years ahead of schedule according to what the Montreal protocol has set as a deadline. We think that we can in fact go faster than that. At the meeting of the countries involved in the Montreal protocol next November we will be pressing other countries to accelerate the phase-out of CFCs. Canada intends to maintain that leadership position.

I recently announced, I think it was in August, a $25 million initiative to assist us in meeting our objectives. Among the initiatives announced in August was in fact an initiative that will enable the Government of Canada to put out warnings of ultraviolet rays. I will be more than happy to look at anything we can do to accelerate that process given that financial commitment and some resources.

GENERAL AGREEMENT ON TARIFFS AND TRADE

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

There is increasing concern on the part of Canadian farmers and food producers that this government is letting down our farmers and producers at the current GATT negotiations.

The industry estimates that 100,000 Canadians will lose their jobs if the government signs a GATT deal that does not protect the Canadian supply marketing board system. For those 100,000 Canadians who could lose their jobs, in financial terms alone it would mean $243,000 a week in unemployment insurance. That is $12.5 million next year.

Is the Prime Minister prepared to sign such a deal and, if he is prepared to sign it, where will the extra funding for unemployment insurance come from? From a higher deficit or higher taxes?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, as the hon. member is aware, the position put forward by the Government of Canada in the GATT negotiations was a position derived from consultation with the stakeholders, those very producers she is talking about.

Our position is to have GATT clarify and strengthen article XI. That was the position the supply management industries gave to the Government of Canada. That is our position today.

The hon. member also knows, as do the supply management industries, that under the existing GATT agreement and article XI they are very vulnerable. We as a government have taken their suggestion and we are putting forward their position.

That is the position of the Government of Canada and we will continue to work for it.

• (1430)

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I understand the Government of Canada is trying to get a clarification but it seems to me the message coming clearly the last few days and weeks is that the government is not strong in its position and is presenting other alternatives. I want to ask the minister—

[*Translation*]

Did the government study the impact of this proposal? If not, how can it think of signing such an agreement without knowing what its impact will be? If so, why not share this information with the farmers and the House of Commons?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I had the opportunity personally to meet farm leaders, particularly from Quebec, two or three times since December 20. The UPA in particular asked us to share with them figures on the impact of the Dunkel report.

Of course, our government did not change its position at GATT one iota, Mr. Speaker. We continue to advocate zealously that article XI be clarified and strengthened. Nevertheless, it is very important that, at the farmers' request, we do check on all the ramifications of the report so that we can defend them properly in Geneva.

Hon. Audrey McLaughlin (Yukon): I have a supplementary question for the minister, Mr. Speaker. I am sure that Quebec farmers are very concerned because if article XI of GATT goes through, 30,000 milk producers may be out of work.

[*English*]

At the end of the day, Mr. Speaker, the government will have to sign or not sign a deal. We need to have good negotiators there. There are people in Canada who believe if we lose the supply management system through a GATT deal, this deal will do the same to rural Canada as the trade deal has done to urban Canada and we do not want to see that happen.

I want to ask the Prime Minister what he is prepared to do for the 100,000 Canadians who could lose their jobs if we do not stand up for Canadian farmers and producers in this GATT negotiation.

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, as the hon. member is aware, one of the important aspects of supply management is the quota. The quota those people have is derived from the revenue they received from a supply managed industry. What I have just seen and what I have just heard is certainly one of the most damaging statements ever made by a political leader and will bring down the quota value for those very producers that she is talking about supporting.

What I would like to say, Mr. Speaker, to the hon. member is that the Government of Canada developed a position with the stakeholders. The stakeholders understand that the present article XI leaves them very vulnerable. They have said: "This is one way of maintaining it.". We say: "That is the way we want to have it maintained". However, the hon. member understands something else.

The support we need is what we are continuing to request and seek of other countries but Canada alone, out of 108 countries, is not able to change the negotiations. Canada, joined with other countries, is able to be successful and that is what we will continue to do.

This government has no intention of changing the position. It was developed with the stakeholders. It will be consistent in the benefit of those stakeholders and if they support us, we will be stronger in presenting our position.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my question is for the Minister for International Trade. The minister should be aware that the head of Canada's supply management commodities said today that the government's acceptance of the GATT would destroy their $10 billion industry and put in jeopardy nearly 95,000 Canadian jobs.

They have also requested that the government not submit tariff schedules for supply managed products March 1 as requested by Dunkel. Will the government table or not table these tariffs by March 1? Canadian farmers have a right to know.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, it might be of interest to the hon. member that while I was in Switzerland this past weekend, I had a number of meetings with my counterparts from other countries and presented the position as set out by my two colleagues on what we are seeking through the GATT negotiations in relation to the supply management system.

We have meetings of agriculture ministers this week, trade ministers next week. There will be meetings of the government with the supply management sectors and based on that series of meetings we will be able to develop in concert with all the interested parties the answer to the hon. member's question.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I thank the minister for his response, but my supplementary question is for the Prime Minister.

The Prime Minister should be aware that farm leaders of supply managed commodities have requested that he meet with them in February to discuss this very important issue. Will the Prime Minister meet with these leaders in February and will he reassure them that he rejects the present GATT proposals as they relate to supply management?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have met with the agricultural leaders on a number of occasions.

The Minister of Agriculture and the Minister of State for Agriculture are setting up precisely the meeting that my hon. friend is seeking. I think it is very important that the leaders of all of the farm groups, particularly these days in respect of marketing boards, have an opportunity to discuss with the government in a very full and open way the concerns that they have about international negotiations.

I point out to my hon. friend, the NDP and others from the Liberal Party who is raising it, that in questioning the conduct of negotiation policy by the Government of Canada at GATT, it might have been appropriate to mention that the premier of Quebec who was also actively involved with this farm problem indicated the day before yesterday that

[*Translation*]

Premier Bourassa has full confidence in the Minister for International Trade to negotiate the new GATT agreements and he thinks that Quebec is better protected by the plan on which we are now working than with the present formula.

[*English*]

I was very glad of that statement by the premier of Quebec because it represents confidence in the policies that we have been following. But we have to do more and we have to make sure that all of the farm groups are more actively associated with our initiatives so that we can better defend their very legitimate interests at the GATT.

UNEMPLOYMENT

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, the economic crisis that Canada is going through has been particularly damaging to our youth.

While this government speaks at length about global competitiveness and its prosperity agenda, over 350,000 young Canadians are unemployed and many others are on the welfare rolls of this nation.

My question to the Minister of Employment is this. When is he going to realize that his government's policies are creating a lost generation of young workers condemned to a life of chronic unemployment? When will he introduce a meaningful program that will put our young people back to work?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the government and the Department of Employment and Immigration have a host of programs trying to be helpful to Canadians of whatever age who are facing the downturn of the economy.

If the hon. member thinks that the $3 billion we spend to help these people is not enough, he could tell us where to take it from. Should we increase taxes or do we increase the deficit? If he has ideas as to how we could better spend that $3 billion I would be ready to listen to him.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, everywhere I go, in every community, in every town and in every city throughout this country, I find young people who fear for their future and the future direction of this nation.

My supplementary question to the same minister is this. What does the future have in store for Canada when 350,000 young people are being denied their rightful opportunity to a job and training? Who does the minister think will guarantee our future prosperity?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, over 470,000 Canadians take advantage of the programs that we have at Employment and Immigration. The way for these kids to tackle the future is to embark with all social partners in society into making Canada a more competitive country. This will ensure prosperity. That will be done through learning. That will be done through acquiring new skills. This is exactly what the initiative of the government is all about.

* * *

• (1440)

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of the Environment.

The alarming discovery of 30 to 40 per cent ozone depletion over northern and eastern Canada cries out for both government action as well as for early warnings. Since most of the ozone destruction results from the release of man-made chemicals such as CFCs and since this level of measured ozone destruction increases cancer by 120 to 160 per cent, increases eye damage by 18 to 24 per cent, reduces crop yield by 30 to 40 per cent and simply kills some forms of life, will the minister show leadership on the seriousness of this issue and implement an immediate national full cycle mandatory CFC recovery program, a program that this caucus will pass through this House in one day?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I want to thank the member for Skeena for his question and having had the courtesy of informing me of the thrust of his question before Question Period.

It is important to reiterate the fact that this is an illustration of the global environmental challenges that the planet faces in the years to come. On the one hand we are faced with a problem that may have very dramatic effects on all of our country because of its geography while on the other hand we contribute 2 per cent to the total problem.

As I pointed out before, Canada has really been in the forefront in dealing with this issue. We were instrumental in putting together the first environmental treaty at the 1987 Montreal protocol. We have reduced the amount of CFCs by 45 per cent since then and we think we can eliminate at least 85 per cent of CFCs by 1995, away ahead of schedule.

We are dealing with the provinces on the issue of mandatory recycling. I will be happy to keep my friend abreast of the developments in that area.

Mr. Jim Fulton (Skeena): The problem is that in some sectors, such as with scrap refrigerators, 100 per cent of the CFCs are being vented and are leaking into the atmosphere.

Part of the NDP plan I am talking about to protect the ozone layer would require the implementation of full cycle national recovery. You need laws to do that. This is a plan that would create thousands of jobs in the private sector. It would create a private sector industry of over $100 million in value. It would protect the ozone and it would not require one new dollar of federal taxes, not one new dollar of federal expenditure.

That sounds like a pretty good plan to help protect the planet. Will the minister implement it?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, the member will know that in fact we are a bit ahead of the game. Not only a bit, but very much ahead of the game in this area.

Last August the federal government announced through the green plan a $25 million initiative which has as a specific objective the acceleration of regulatory programs in this area. We are working very closely with the provinces to determine whether or not a regulatory regime would be necessary, given the fact that we will be reducing by 85 per cent the amount of CFCs we put in the atmosphere by 1995. We are away ahead of schedule.

That being said and the seriousness of the problem, given the leadership role that this government has always played on this issue and the seriousness of the issue, I will undertake to communicate directly with my provincial colleagues on the suggestion made by my hon. colleague to see whether or not the Canadian Council of the Ministers of the Environment would want to undertake some specific action, given the new scientific information we have.

Furthermore, at the next meeting of the countries that signed the Montreal protocol in November 1992, Canada will ask that we accelerate the schedule for phasing out CFCs.

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BANKRUPTCY

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Minister of Finance. The 1991 bankruptcy statistics are in and they are truly devastating. Over 75,000 Canadian men, women and businesses have gone belly up, the true victims of this government's insane high interest, high dollar, high tax policy.

How much economic devastation will we have to endure before the government abandons the destructive economic policies which have directly resulted in the highest level of bankruptcies in the history of this country?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, that last conclusion is absolutely false because the incidence of bankruptcies was much higher in the 1981–82 recession.

While I share the hon. member's concern, I have to tell him that what is encouraging is that month over month there has been a decline in bankruptcies. Business bankruptcies have declined by roughly 100 and personal bankruptcies have declined by over 1,100 for a total of 1,133 fewer bankruptcies in December than in November.

I realize that does not provide a whole lot of comfort, but I think we should take some encouragement in the fact that the incidence of bankruptcies is on the decline. With some of the initiatives that have been announced and an increase and improvement in confidence, that will be reduced further still.

Mr. Ron MacDonald (Dartmouth): I have a supplementary question, Mr. Speaker, for the Prime Minister. We seem to have heard this song before.

Last February the then Minister of Finance said the recession would be over by June. In August of last year the current Minister of Finance said that we were well on the road to recovery.

The 62,000 Canadian consumers who were forced into bankruptcy in 1991 have completely lost faith in this government's ability to either predict or manage the Canadian economy.

Given these cold, hard facts, is the Prime Minister now prepared to endorse and fully accept the five-point recovery program put forward by the Leader of the Opposition?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, what the member chooses to overlook in the substance of his question is the fact that when we compare 1981 to 1991 we see that the number of businesses in Canada almost doubled. In 1981 there were 780,000 businesses. Today there are 1,730,000. The aggregate numbers are up but indeed the percentages are down.

The hon. member talks about whether we are in recovery or we are still in a recession. The Canadian economy grew by 3.3 per cent in quarter 2 and quarter 3. It slowed down in quarter 4, largely because of the serious deterioration in the economy of the United States and of other industrialized nations. All industrialized nations have revised their growth figures downward for 1992. That is not a Canadian phenomenon; it is a world phenomenon.

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[*Translation*]

AIR TRANSPORT

Mr. John Manley (Ottawa South): Mr. Speaker, my question is directed to the Minister of Transport. Last week the chief negotiator at the open skies talks announced he was retiring. This came after the departmental task force released its report in which it rejected the concept of open borders for air services. This happens at a time when there is public concern about the future of Canada's airlines. Could the Minister of Transport clearly explain his government's position regarding the open skies negotiations and the financial problems expected by Canadian carriers?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I may point out to the hon. member that there is absolutely no connection between the decision of the federal negotiator, Mr. Harris, to resign his position and the report that was released last week. We embarked on these bilateral negotiations with the United States in order to increase the amount of transborder air traffic between Canada and the United States. We are pursuing this policy, and we are convinced that by improving the situation for Canadian carriers, we will in fact improve their financial situation.

[*English*]

Mr. John Manley (Ottawa South): Mr. Speaker, the minister is surely aware of the widespread apprehension among the public and airline employees in particular about the uncertain future facing the Canadian airline industry.

Surely the government should be willing to state clearly now, for the public, what it views as being in the national interest with respect to this industry and how it intends to ensure that the national interest is served in the months to come.

[*Translation*]

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the federal government's position on this matter has always been the same. At the present time, some rather unfortunate things are happening in the aviation industry throughout the world.

• (1450)

However, our position has not changed. It is in the best interests of consumers and the travelling public in this country to have two airline companies that are in the best possible shape, and that is what we want to achieve in the months to come.

* * *

[*English*]

TRADE

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, yesterday I was able to raise in this House some questions about the draft bracketed agreement between Canada, the United States and Mexico regarding a proposed free trade agreement.

The draft bracketed agreement is confirmed to be in existence by the press secretary of Carla Hills and also by the press secretary of the Mexican Ambassador to Canada.

Although this draft bracketed document has been kept secret from the Canadian people, it has come to my attention that there are proposals in that draft bracketed treaty that would seriously affect the viability of Canadian automobile manufacturing and indeed Canadian auto parts manufacturers.

I now ask the Minister for International Trade if he is prepared to table the document in this House that has been made available to Mexican politicians and to tell this House and all Canadians, particularly those in Ontario and Quebec, that their jobs will not be at risk because of these negotiations going on?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, first of all let me say that I have not been keeping this matter a secret. I do not know where my hon. friend has been. I have referred to this text on a number of occasions.

This, I should say to my hon. friend, has not been made available to members of the Mexican Congress as I think he was saying yesterday.

The final point that I make is that there is nothing in the automotive chapter in the agreement. We have yet to come to a set of negotiations on which we can base a chapter on the automotive industry.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I know that the minister does not wish to misinform the House, but it is my information that the Mexican government, through its negotiator, Mr. Blanco, has shared with members of the Mexican Congress the draft bracketed treaty which Carla Hills' office acknowledged exists.

During the discussions leading up to the free trade discussions with Mexico, United States and Canada, the government's negotiator, Mr. John Weekes, said that full consultation would take place with all Canadians including labour and including manufacturing sectors.

This document is in existence. It is being discussed by Mr. Blanco with Mexican senators. Why is the document being kept secret from Canadians? Why is it not tabled in front of members of this House who are responsible for at least being aware of what this government is selling us out on?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, as I have said on many occasions, there is a draft text that has been developed. It has been consolidated. There are now a number of differences that have come to light between the three countries in that text. That is why it is called a bracketed text, because those differences are in brackets. This I have made clear on many occasions and I am sorry that my hon. friend has not been aware of those.

I also say to my friend that we have had full discussions with the SAGITs, the sectoral advisory groups on international trade, plus the International Trade Advisory Committee, as well as the provinces, in developing negotiating positions that we have on this.

As my hon. friend is aware, I am going to be appearing before the external affairs committee on trade and I would be happy to discuss the matter further at that time with him.

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NATIONAL PARKS

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, on July 14, 1988 Treasury Board directed the Ministers of Public Works, Environment and Transport to address the question of which department should be responsible for making expenditures on highways in national parks.

My question is to the President of the Treasury Board. When will this decision be finalized so that highways throughout the national park system can be given the attention they deserve?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, the hon. member for Wild Rose is very right. There have been ongoing discussions between the three Departments: Transport, Environment parks service, and Public Works.

I can tell her that a number of scenarios have been established and we are now presently looking at them. We have to reconcile this with a lot of other pressures in the system. The discussions are ongoing and I should be able to come back to her soon.

* * *

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, my question is directed to the Minister of State for Agriculture. The government was committed to defending the four pillars of Quebec agriculture and to reinforcing GATT article XI. The minister even said that he would rip up his shirt and put his seat on the line if any of these five components were affected. On January 13, Canada's ambassador to Geneva accepted the Dunkel report which destroys those four pillars and abolishes article XI. How can the minister justify this betrayal, this outright breach of promise?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I am rather surprised at the comments of the hon. member for Lac Saint-Jean. He ought to know that our position in January was the same as it was on December 20. We still support strengthening and clarifying GATT article XI. It is a vital measure that has allowed our marketing boards to operate for years.

The Canadian position was a joint effort. We prepared that position with Canadian farm leaders. I have on many occasions met with farm producers, even in the hon. member's riding, where I had a chance to visit quite often. I have met practically all the producers in his riding. Quebec producers especially are in a position to know that we defend the interests of Quebec producers and that we will continue to do so. There is nothing to be worried about on that score.

Hon. Lucien Bouchard (Lac-Saint-Jean): What matters, Mr. Speaker, is the final position. And the final position is that this government accepted the Dunkel Report, while expressing some mild disappointment about parts it found less palatable. Mr. Speaker, the minister knows perfectly well this about-face will dismantle crop insurance and the mechanisms for setting prices for milk, eggs and poultry.

The minister knows perfectly well this will cost farm producers in Quebec at least $350 million over the next six years. So tearing up his shirt is just not enough, and the minister should tell the House what he intends to do to save thousands of Quebec producers from disaster.

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, as far as about-faces are concerned, I think the hon. member is quite knowledgeable on that score. I don't need any lessons from him.

Mr. Speaker, Canada's position has not changed. Canada did not accept the Dunkel report. When the hon. member says what he said just now, he is mistaken. I don't think he did it on purpose. He was probably misinformed. We are defending the interests of farm producers, Mr. Speaker, and we will continue to do so. And I think the hon. member should stop spreading information which, as he knows perfectly well, does not reflect the real situation, Mr. Speaker.

INDIAN AFFAIRS

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. During the Oka crisis in 1990, the regional director at the time signed a letter committing the government to acquiring the properties located in the Jardins d'Oka and south of Highway 344. Mr. Speaker, I hope the minister realizes my constituents are upset because they have yet to receive a formal proposal for dealing with the serious psychological and financial problems they experienced as a result of the invasion of their property and land by masked warriors.

Could the minister confirm he is about to submit proposals to these owners and to the municipality of the village of Oka? And when will he do so?

[*English*]

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, first I would like to compliment the hon. member for Argenteuil—Papineau for the diligent work she has done, together with the Minister of State for Indian Affairs, to seek a solution to this very difficult problem.

I can confirm that indeed a very creative proposal has been brought together by our officials and is presently being discussed among the four parties to an agreement with respect to the land issues at Kanesatake and Oka. I believe this proposal will be of great benefit to the land owners she speaks of and to the Mohawk community at Kanesatake.

• (1500)

As soon as the preliminary discussions are completed, further details will be forthcoming.

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[*Translation*]

HOME OWNERSHIP

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is directed to the Minister of Finance.

In the Montreal area, the total number of housing starts has dropped 15 per cent, compared with last year. Yesterday the government co-opted a proposal made by the Leader of the Opposition when it announced that it was reducing the downpayment required to buy a first house from 10 to 5 per cent.

Is the Minister of Finance willing to implement another component of the Liberal platform that would allow Canadians to use up to $7,500 of their Registered Retirement Savings Plan for the purchase of a new home?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I think the hon. member will admit that the government has already taken a large number of very positive measures, more than were taken by the Liberal government when it was in power several years ago during another recession.

I suggest he look at the interest rate levels we have today which have given us our lowest mortgage rates in 20 years. That is a positive contribution.

Dropping inflation plus the measure announced by my colleague yesterday are pointing us in the right direction.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, Jean Cantin, director general of the *Association de la construction du Québec* for the Montreal area, said that the option of using RRSP funds for the purchase of a first home would have a far greater impact than reducing the initial downpayment from 10 per cent to 5 per cent.

Considering the extent of the recession, Mr. Speaker, is the government prepared to commit itself to introducing legislation that would allow Canadians to buy their first home with the money they put in a retirement savings plan?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, if the hon. member had paid attention to the results of the conference of finance ministers in Quebec City a few days ago, he would have heard my colleague, the Minister of Finance, point out that we were going to give this matter active consideration.

Perhaps the hon. member would care to recall some of the comments on this use of RRSPs, which were intended to help Canadians save enough money for their retirement. We must be very careful about the way this money is used. Other provinces have told us they had a housing surplus.

We are now looking at all these factors, and we will let you know what we decide in due time.

[*English*]

HIBERNIA

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources.

The seriousness of the economic recession is evident in every community throughout the country. We have had the recent announcement of Imperial Oil laying off 1,700 workers and just minutes ago we learned that Gulf Canada Resources is pulling out of the Hibernia project because of the bad economic environment.

I want to ask the minister of energy whether or not he can confirm this particular information and if he can assure this House that every step will be taken to ensure that the Hibernia project will proceed without any delay whatsoever.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I want to thank the hon. member for the question.

I can confirm that Gulf Canada Resources served notice of withdrawal to the other three members of the consortium as well as the Governments of Canada, Newfoundland and Labrador at approximately 1.30 p.m. today.

I want to assure the hon. member and this House, as well the premier of Newfoundland, and my counterpart in Newfoundland that the Government of Canada intends for the project to go head. As the hon. member and the House know, we as Canadians are standing behind the project with over $1 billion in grants and over $1.6 billion in guarantees and loans.

There is a structure in the unanimous agreement of the consortium, a method or a mechanism, whereby it will continue putting money into the project. It is the government's intention that the project continue.

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[*Translation*]

FORESTRY INDUSTRY

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, my question is for the Minister of Finance and concerns layoffs in the Atlantic provinces.

The government's economic policies have ravaged the forestry industry in my riding, resulting in 300 layoffs in Atholville and 400 layoffs expected for the Dalhousie mill. The Government of New Brunswick has unveiled a strategy to help the forestry industry. What new measures does the government intend to take to solve the problems in the natural-resource sector, and when?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the forestry industry has indeed experienced a downturn not only in Canada but throughout the world. Commodity prices have been seriously depressed. As well there is reduced demand.

This is an issue that will be helped to some extent by the reduction of interest rates. I believe the lower burden of debt servicing will be helpful. My latest indication is that there does appear to be some upturn around the corner.

The housing initiatives that were announced south of the border and the housing initiatives that are being taken here in Canada will obviously provide some help in that regard.

I do not underestimate the seriousness of the problem and I can assure the hon. member that we are taking that matter seriously.

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POINTS OF ORDER

TABLING OF DOCUMENTS

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, my point of order refers to the second part of an answer during Question Period by the Minister for International Trade. The minister referred to a document. At first he did not acknowledge it existed but then he began to refer to it.

I want an explanation of the rules of this House on whether or not the minister, once referring to that document and perhaps alluding to quotes from it, is obliged by the rules of this House to table the document in the House.

Mr. Speaker: I can assist the hon. member, and I will hear the minister in a moment. If the minister is reading from a document then of course the general rule is that he would be required to table it.

I will hear the minister.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I want to take issue with what my colleague has just said. I have never in this House not acknowledged that that text did exist. I have said on a number of occasions outside this House that the text did exist.

I am sorry that my friend is not reading the newspapers and understanding what is going on around him.

Mr. Barrett: My point of order is not a dispute over whether or not the document exists. I have always maintained it exists.

My point of order is once a reference is made to it by the minister, is he obliged to make that document available to all the parliamentarians?

Mr. Speaker: The point the hon. member is making is an interesting one. I have said that if the minister reads from the text of the document then the general rule is that it be tabled. If the minister, on the other hand, makes some reference to some document somewhere, the same does not apply.

[*Translation*]

MEMBER FOR RICHELIEU—PARLIAMENTARY LANGUAGE

Mr. Louis Plamondon (Richelieu): Mr. Speaker, my question is whether you have taken a position on the words "hypocrite" and "stupid" which the Prime Minister used last November. If you have made a decision, I would like to know what it is.

Mr. Speaker: The hon. member asks whether the Speaker has made a decision on a matter of concern in this House before Christmas, more specifically in October. The ruling was brought down yesterday.

* * *

INTERPARLIAMENTARY DELEGATIONS

TABLING OF REPORT OF VISIT TO CZECH AND SLOVAK FEDERAL REPUBLIC

Mr. Speaker: Pursuant to Standing Order 34(1), I have the honour to table the report of the official visit that I, accompanied by a delegation of members of the House, paid to the Czech and Slovak Federal Republic, from November 10 to 16, 1991.

GOVERNMENT ORDERS

• (1510)

[*Translation*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-32, an Act to amend the Canada Assistance Plan, be read the third time and passed.

The Acting Speaker (Mr. DeBlois): When the House took recess at one o'clock, the hon. member for Glengarry—Prescott—Russell had the floor. We are now on ten-minute speeches, without questions or comments.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I welcome the opportunity this afternoon to take part in the debate on a bill whose purpose is to amend the Canada Assistance Plan.

Mr. Speaker, as you know, this is the government's second attempt to amend this legislation. The first time, the matter ended up in the Canadian courts, and unfortunately, the government won its case. However, although according to the courts the government was acting well within what was permissible under the Constitution, that does not mean it was the right decision. In fact, the opposite is true.

We are going through a very difficult period in this country. We are now in a recession that is worse than the one we had in 1982, and one remembers what the Conservatives had to say about that one at the time. Unlike 1982, the 1991 recession started here in Canada. This is a recession we created ourselves here in this country, or at least most of it, because the world-wide recession occurred several months later.

The Tory government opposite was trying to slow down our overheated economy with its economic policies, but it did this so drastically that the economy went into reverse, and now the engine is stalled, and we still haven't found a way to get it started again.

Today, in one of his questions in the House of Commons, the hon. member for Dartmouth mentioned the bankruptcy rate in Canada. I think he told us there had been about 62,000 personal bankruptcies in this country. I know this is a concern not only for my colleague from Dartmouth and every Liberal member in this House, but also for all Canadians who are going through these rough times.

One of the regions in this country worst hit by the recession, Mr. Speaker, is my own province of Ontario, where we have two main problems. First, the Tory government opposite and, of course, the provincial NDP government. What a nightmare it is, Mr. Speaker, to have such a government in Queen's Park. They are almost as bad as the people across the floor of this House, which is hard to beat. I must say, however, that Mr. Rae and his friends are on their way there, very close to succeeding as a matter of fact. This is something you understand, Mr. Speaker, I am sure.

The Premier of Ontario announced a few days ago that the province was in such dire straits that the socialist government of Ontario might have to cut social programs. Can you imagine such a thing, Mr. Speaker? At any rate, I will let Mr. Rae come to terms with his conscience over the next few days. Meanwhile, we could at least support its economy by granting Ontario its fair share of the Canada Assistance Plan, bearing in mind that the bill before us would limit to 5 per cent the increase in transfer payments to this province. That, of course, is a maximum.

In my riding, Mr. Speaker, the unemployment rate reaches 15 and 18 per cent. My colleague from Stormont—Dundas was telling me earlier that, in the Cornwall area, it would be closer to 18 per cent. That is terrible. The riding of my colleague from Renfrew—Nipissing—Pembroke is no better off, and the situation is as bad, if not worse, in Glengarry—Prescott—Russell, as all hon. members must know by now, considering how many times I have raised this issue in this House.

Last night I had the opportunity to meet in Hawkesbury, with the Advisory Committee on Employment for Prescott County, and its members were telling me how bad unemployment was in their region. Considering that people have little hope of finding work in the near future, what is going to happen when their unemployment insurance benefits run out, now much faster than before thanks to Bill C-21 passed by the government opposite? These people will go on welfare, or "on the dole" as we commonly say in Hawkesbury. That is when the Canada Assistance Plan comes into play by providing the funds for welfare. Traditionally, counties or regional municipalities paid 20 per cent, the province 30 per cent and the federal government 50 per cent.

Now, with the cap on increases for the three provinces of Alberta, B.C. and Ontario, in my province of Ontario the provincial government will have to bear a larger share of the Canada Assistance Plan. What is going to happen, then? Other things are going to suffer. The provincial government might cut school funding. It will cut in various places and with the NPD in power at Queen's Park, we can expect anything in the months to come.

Meanwhile, Mr. Speaker, Canadians will have to do with less and less. The number of individuals living below the poverty level will increase, and all that as a result of the cap on the Canada Assistance Plan.

[*English*]

I remember that day last year. I believe it was last August 15 when the government won before the courts the so–called right to impose these limitations on increases to the Canada Assistance Plan. Just because it won that right in the courts does not mean that the government is morally correct in what it is doing. I could think of other words to describe this government, but in the new spirit of co–operation I will not use them in this House. I will just think them.

Here is what a few others had to say. Lise Corbeil Vincent of the National Anti Poverty Organization said of that day last summer that it was a very black day for the poor. She said further: "The poor will become more and more defenseless than ever as the already meagre level of government supports are cut further".

Viola Robinson of the Native Council of Canada added: "Many native Canadians already living in Third World conditions will only suffer more as cost cutting continues to be more important than human lives". That expresses what is going on and what this government is up to.

There is still time. The Conservative backbenchers across the way could use this new year and be more objective and less partisan than they have been in the past. They could look at this objectively and say no to this bill: "We will not put up with the Minister of Finance's nonsense".

• (1520)

We will not stand for this. We want the poor in Canada to have a decent living. We want those poor people who are living in the three provinces affected not to have further cutbacks imposed upon them.

That is what the government could do now. We are all holding our breath for the day when the vote will come, several days hence, because many of my colleagues have important remarks to make about this issue.

When the vote comes I hope that I can count on all Conservative members to repent, to change their minds and to vote with us in the opposition to defeat the bill in question rather than to support the Minister of Finance and his wrong ideas. They could represent their constituents, for a change, instead of representing the government.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I rise in the House to oppose this legislation which is designed to place a cap on Canada Assistance Plan payments to the so–called have provinces.

Since 1984 when the current government took over, many of those have provinces have been operating on the margin. It is hard to characterize them as have provinces any more largely as a result of the policies of this government. This bill in conjunction with the other limitations imposed on transfer payments and other series of mean–spirited Tory policies have reduced many of those provinces to become unable to service the needs of those who require the services of the provincial treasury. I am thinking of students, the sick and the poor.

It is not unusual for Tory governments and for governments of this stripe to focus their attack on those who can least afford to share the burden: the poor, the sick, those who have very low incomes, and also those who are not responsible for the depression and for the economic circumstances that this country finds itself in.

We pointed out before in this House that the real fault and the real problem of the debt and the deficit do not lie with the poor, the people who are in receipt of the Canadian government programs. Statistics Canada has already told us, and perhaps it bears repeating in this House, who is responsible for the problems that Canada is experiencing with the imbalance between its revenues and its expenditures. It is not the poor. It is not the beneficiaries of social programs and government programs.

The real culprits who are responsible for creating the deficit have been demonstrated in the Statistics Canada report. That report showed that 44 per cent of Canada's deficit problems are due to tax concessions to the rich, the very rich and to profit-making corporations.

You can trace back through the years the increase in those tax concessions to those corporations with the growth of the deficit. That is where the problem lies.

Statistics Canada also said that 50 per cent of our debt problem and our deficit problem lies with the high interest rate policy that was followed by both the Liberal and the Tory governments over the last 10 or 15 years. That has created 50 per cent of our debt problem in this country.

Interest rates have now come down. Unfortunately, the people in Canada who are in the middle class—the workers in Canada—have been bled dry so they can not even afford to borrow money to kick-start the economy again. Fifty per cent of the problem of this country's debt and deficit are due to the high interest rate policies pursued by successive Liberal and Tory governments.

What percentage of the problem is attributable to social programs and to government programs? According to Statistics Canada it is 6 per cent.

I cannot understand why this government continues to look through the wrong end of the telescope and why it continues to attack those social programs and government programs rather than dealing with the real culprits who created the debt in the first place. These are the tax concessions that were granted to the rich and to large corporations and, of course, the high interest rate policy of the federal governments, Liberal and Conservative. That does not come from the NDP. It does not come from labour. It comes from Statistics Canada, the government's own statistics-gathering and analysing agency. That is where that information comes from. Why does the government not take a look at the advice provided by the people who were paid to give it advice and provide it with information and statistics?

I will tell you the reason. It is because this government is not driven by accurate information; it is driven by ideology. That is why it is looking through the wrong end of the telescope and that is why it is focusing its attack on social programs, transfer payments, things like health care, education and programs for the poor in this country. Dealing with those programs is not going to solve the problem of the deficit.

Look at what has happened in this period between 1982 and 1992. I watched a program called *The Compton Report* on one of the national networks coming out of the United States. It pointed out that between 1982, when the recession was in full force down in the United States, and 1992, when again it is in full force, the wealthiest 1 per cent of people in the United States doubled their income.

They were able to double their income through easy tax policies granted to them by the Reagan government and by the Bush government. The wealthiest 1 percent were able to double their income. For them, there was no recession. Recessions for us are boom times for the very wealthy. That is because of the programs that are brought in by Liberal and Tory governments, both in Canada and the United States.

We have to start looking through the other end of the telescope and identifying the real culprits. That is, we have to start taxing those who have never experienced a recession. We have to be getting the revenues back from them so we can start paying down the deficit.

I found an article in our *Quorum* magazine a few days ago which talks about the entertainment tax credit for business people in this country. It seems that one of my Liberal colleagues got in touch with the Revenue Canada people and he discovered such things that are given tax credits in this country are the pleasures of escort services, which are deductible as a legitimate business expense, the masseuses and lavish booze parties.

Companies can claim all of these things as entertainment expenses and deduct them from their income taxes. For those large companies, we are paying for escort services, we are paying for masseuses and we are paying for booze parties on their behalf.

It is quoted in this article that Phil Jolie of the tax department's audit branch has told *The Sun* that anything— escort services, a car, a trip to a hockey game, all of these kinds of things—can be deducted as entertainment expenses for business purposes. I am told that these kinds of entertainment expenses cost the people of Canada $1 billion a year in terms of tax credit.

Imagine, we are talking about allowing those kinds of services which amount to one-thirtieth of the total deficit in this country. We are told by the government when it makes an attack on these social programs that everybody has to sacrifice a little bit.

Why do we not make those business people sacrifice the odd escort service, the odd masseuse, the odd trip to the hockey game, paid for at government expense to the tune of $1 billion so that we can reduce our deficit by 30 per cent? That would be a beginning; that would demonstrate some sacrifice on the part of those people who, as I pointed out, have never experienced a recession along with the rest of us in this country.

Tory governments deal with depressions and recessions in precisely the wrong way, by going about a cost-cutting program, a restraint program. I think it is instructive if you look back in British Columbia during that period from 1983 to 1986 when the premier was Bill Bennett and his two most important advisers were Kim Campbell and Norman Spector.

That government at that time went through a process of cost-cutting that eliminated human rights legislation, that eliminated support for families, that eliminated all sorts of programs that were directed to improve the lives of ordinary people. Unfortunately, the government at that time said the reason it was doing this was to try to prevent the deficit from going up. In fact, those kinds of mean-spirited cost-cutting programs resulted in the deficit in British Columbia increasing and the debt of the province increasing rather than going the other way.

• (1530)

It is time we learned a little bit from history rather than having Tory and Liberal governments constantly copying history and making the same mistakes. I call on all members of this House to defeat this legislation and let us start attacking the real culprits who have created the deficit and the debt in this country in the first place.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to be given the opportunity on behalf of constituents in my riding to speak for the allotted 10 minutes on Bill C-32.

This bill emanates from the February 26, 1991 federal budget which essentially limits the federal contributions to three particular provinces in terms of social assistance, federal-provincial shared social assistance programs, namely to British Columbia, Alberta and Ontario.

In terms of the financial consequences of this particular bill, it will mean that cumulatively over a five-year period those three provinces will suffer in the neighbourhood of some $2.135 billion in losses. In my province alone, estimated this year it will be close to $1 billion.

I would like to say just a few things in the permitted time. First, there seems to be a mind set in this government, in this capital, and Ontario being one of the three provinces, I will speak for my own province. There seems to be a prevailing attitude that somehow it is oblivious to the serious economic winds that are prevailing in the province of Ontario.

There is a feeling that somehow there is the belief that this province is somehow a fat cat province. I am not saying that it is clearly down and out or that it is even on its knees, but there seems to be an absence of reality that when we look at Ontario, or when we look at metropolitan Toronto, there is another tale to the economic realities.

I am just wondering whether anyone on that side of the House of Commons recognizes the record number of job losses, the record number of plant closures, the record number of people who are going from full-time work to part-time.

Does anyone recognize the record number of older workers who are being displaced and have nowhere to go? No one wants to invest or has less of an incentive to invest in a worker who may not be by any means old but 50 or 55 years old, who still has a mortgage to pay and an education for children to pay before retirement age, in terms of no adjustment programs for plants affected by the free trade.

What I am saying is that the economic picture of Ontario is not very healthy. At the same time we have a government that is very resistant to any kind of national stimulus. We had the announcement yesterday that the government has agreed to one of our proposals to go from a 10 per cent down payment when it is federally insured to a 5 per cent down payment. That is one aspect that is good, but it is only one aspect of many which should be implemented.

But the message basically is that government wants to stand back and hope that the market adjusts itself or that somehow it will be a consumer-led recovery.

When we and our colleagues are out in our ridings we know that it will not be a consumer-led recovery because people do not have the confidence nor the certainty to either invest or to spend that extra dollar. If they are doing anything, they are saving those dollars in their mattresses for a rainy day that is even worse than today. We cannot blame consumers, particularly given the strangulation of taxation at all levels that those consumers, those Canadians, are feeling right now.

Perhaps it is not going to be a consumer led recovery. Perhaps the Government of Canada does not wish to enter into stimulating the economy so that people can be put back to work, so that people can come off unemployment or welfare, so that revenues can increase. If we are not to have any economic blueprint, we on this side of the House are saying that the bare necessity, for goodness sake, is for the Government of Canada at least to maintain its commitment to funding social assistance programs that can assist those three provinces and the Canadians living in them.

If the government were to come through with a federal assistance package that would stimulate jobs, that would speak to some kind of adjustment programs for Canadians displaced by such things as the many plant closings in Ontario's backyard, if the government were to come through with some kind of retraining program for our young on one end of the spectrum and for our older workers on the other, perhaps some people in this House of Commons could begin to understand and rationalize why because of the national purse some of the moneys for social assistance can be moderated somewhat.

We are speaking of reducing federal transfer payments to the provinces to help Canadians with a number of social programs. At the same time the government is not willing to move on the economic front as its citizens, business and bank presidents are urging. You cannot have an attack on your social assistance programs while you are also standing pat and doing basically nothing in terms of federal economic stimulus.

I would prefer to have the stimulus and a reduced infrastructure for social assistance. Why? Because I find that there would be a greater dignity if Canadians were to go back to work, if Canadians would be offered jobs, if Ontario can once again begin to export its goods, if the displaced worker can be retrained for a job of tomorrow. I would rather prefer that initiative than having to argue on the floor of the House of Commons today for Ontario to get its federal dollars so that Canadians can be assisted through these dark times. I would rather argue for putting Canadians back to work.

We have argued month in and month out. We are having a First Ministers' Conference. We will be having a federal budget. I hope there will be some answers, practical answers, pragmatic answers, for putting Canadians and Canada back to work.

I am also saying that in the interim, before any real national initiatives, this purported national government has an obligation to its citizens, a contract with its citizens. A program was started in 1966 for a very good reason. The reason is that while you work you pay your dues in a variety of ways and deductions are put back into our social service infrastructure for a rainy day.

It is not only raining in Ontario and across the country, but it is pouring. Canadians in record numbers are becoming increasingly in need. All of us know that our riding offices—at least it is the case with mine in Ontario—are virtually being turned into unemployment offices. For the first time the middle class citizen is coming to our offices and we have to make calls to the food bank, the North York Harvest Food Bank, to provide at least a shopping basket for the weekend. These are not individuals who are irresponsible or feeding off the so-called trough. They are decent, hard-working Canadians who have never seen a day like they are seeing today. I am not saying this for dramatic purposes in the House of Commons; it happens in our offices week in and week out.

• (1540)

What is the message we can construe from that? The message I get is that they want this economy humming again and, if the government cannot or will not do that, then it should at least have a basic dignified commitment to a social infrastructure and a social net that will allow Canadians to land on their feet, to be prepared to survive and to be able to address the future with some degree of dignity and confidence.

It cannot take away the social programs and at the same time not stimulate the economy. That is not national leadership. It is an abdication of leadership of the worst kind.

Mr. Bob Wood (Nipissing): Mr. Speaker, it is a pleasure to be able to rise and speak on the debate of Bill C-32, an act to amend the Canada Assistance Plan.

The Canadian Assistance Plan is a program that was created back in 1966 to permit the federal government to enter into some cost-sharing agreements with provincial governments for the provision of social assistance and for social welfare services for Canadians in need.

What does this bill really mean? It reaffirms that this government has failed to learn that it has to consider, along with the country's economic and financial deficits, the tremendous social debt and deficits we also face. It cannot ignore one in favour of the other as this government has done. It cannot abandon its social targets and social policy goals in order to accommodate some sort of blind, narrow-minded view that the deficit should be our strait-jacket. This government has made the mistake of not forging a balanced approach.

Another interesting thing is that so far the government has allowed only 17 minutes of debate at third reading of the bill. None of my 46 colleagues from Ontario in the Conservative government has spoken in defence of this bill; nobody from Alberta and nobody from B.C. They would be up here defending this bill if they really believed in Bill C-32.

Deficit reduction alone is not going to answer many of the real needs of this country on job training, on education and on research and development. Deficit reduction is not a policy that improves the skills of one member of our work force, nor does deficit reduction feed people waiting in line at food banks. For these challenges we need other policies: strong social policies on things like child care and balance with economic policies. If we are to build a caring and compassionate Canada, we need those policies.

This government mistakenly believes we have the luxury in this country of waiting for the deficit to go down before we help the million and a half unemployed. We do not have that luxury.

This government mistakenly believes that if it sits idly by watching the deficit the line-ups at the food banks, as my colleague just mentioned, will disappear. They are not. They are growing longer.

This government mistakenly believes that blindly paying attention only to the deficit will somehow magically stop children from having to go to school hungry each morning. It will not.

What does this government say to the thousands of people thrown on to the unemployment line since free trade came in? "Sorry, we can't deliver the massive adjustment programs promised by the Prime Minister because we are watching the deficit". That answer is really not good enough. I say we simply do not have the luxury of playing which comes first, the deficit or the strengthening of the social safety net, a tradeoff this government is making every day.

While this government is focused blindly on just the financial deficit facing this country, what about the social deficit we face? One and a half million are unemployed. Thousands of more lay-offs are being announced every week from CP Rail to Air Canada, and today 1,700 at Exxon. Manufacturing plants are being shut down all across the country, moving to the U.S., and now the prospect of more moving to Mexico also looms.

I simply say again deficit reduction is not a social policy. Deficit reduction has obviously failed at making Canada a more just society. Just recently Statistics Canada realized and confirmed that despite world-wide prosperity while this government has been in office, the economic and financial well-being of middle-income Canadian families increased less than 1 per cent. Is that what the Prime Minister meant by imposing prosperity on every region of the country?

The government's narrow-minded focus on the deficit can disappear on notice it seems. Two days after this bill which cut social benefits for the neediest of Canadians was first introduced, the government found $236 million for a science project in B.C. on the eve of an election. In the same week it announced it would move 200 Public

Service jobs to Saskatchewan, again on the eve of an election.

For those Canadians who will suffer as a result of Bill C–32, this government's encouragement to belt–tightening while it locates hundreds of millions of dollars for chosen projects is really hard to believe.

Canadians are still a compassionate people. Their commitment to a caring, compassionate society remains. Their belief in equality of opportunity remains. Only their government has abandoned these traditions in the name of a narrow–minded short–sighted preoccupation with a deficit at the expense of a more balanced social economic and financial agenda.

The government uses the rhetoric of equality to mask an agenda that widens the gap between rich and poor through archaic tax changes and the slow elimination of programs. This is unacceptable.

In the end, what is Bill C–32? It is one more instalment on the Tory agenda which Canadians have been living with for seven years. It is an agenda which has as its main focus a sort of blind narrow–minded preoccupation with the financial debt and deficit, ignoring the social debt and also the deficit. It is one where market forces alone are supposed to carry the day and where survival of the fittest replaces the goal of a caring compassionate Canada and a more just society.

The result has been an era in Canada when tremendous social and infrastructure needs have been ignored. Quite simply, the issue we face today is one of restoring the sense of balance between economic and social goals on the national agenda. We cannot ignore the financial debts and deficits we face as a country, but neither can we focus on them exclusively and ignore the tremendous social debt and deficits we also will face as a country.

The message is that we in Canada have always had a balanced agenda focused on the long–term and in the national interest. We still need an agenda in this country which maintains the social contract by pursuing social policy goals along with economic policy goals.

In the end I hope Canadians will agree that deficit reduction is but one challenge we face and it is one goal among many.

A fair and equitable social policy agenda at the same time will keep our children fed, housed, and healthy. That will boost families, make our cities more liveable, and our hospitals and schools better able to provide services. A more balanced agenda will help prepare our work force for tomorrow and will do these things in balance with economic objectives.

In the end I believe Canadians will agree that deficit reduction fails miserably as constructive social policy or as a social policy of any kind.

I also think that Canadians agree that you cannot substitute deficit reduction for policies that actually help people. People are suffering from unemployment after seven years under this government. There were hundreds more in Montreal in recent weeks lining up at food banks. There are those needing clothing for their families, and those who must send their children to school hungry in the morning.

Are these the images of Canada that most Canadians think about each day? I dare say it is not, but it is another side of the reality being faced in this country every single day.

In the end I fear this government will never learn that you cannot pursue deficit reduction alone at the expense of all other policies: policies for the family, for the worker who needs retraining, for the single mother who would like to work but also needs child care. This government mistakenly believes you can, as a country, throw out your social policy goals whether it be on child care, services to the poor, or adjustment programs needed because of free trade. You simply cannot do this and be left at the end of the day with the kind of Canada we have been trying to build for more than a century.

The Canadian people look to their national government to reflect their concerns and respond to their needs. That is why they were elected. Unfortunately Bill C–32 not only fails to reflect the true needs of Canada, it also reaffirms this government's failure at balancing deficit concerns, our economic and financial debt and deficit with social concerns.

This government would do well to consider a more civilized approach, one that takes account of deficit concerns but also accepts its social responsibilities. I would recommend that the government take its ideological blinders off, withdraw Bill C–32 and go back to the drawing board so that Canadians might again be able to look to their national government as a true reflection of values that we all share as a people. We need a more equitable society where economic as well as social concerns are part of the national agenda.

• (1550)

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, the Canada Assistance Plan was the legal implementation of an agreement reached between the provinces on one hand and the federal government on the other. It was an agreement that recognized something that one of the early leaders of our party, Mr. M. J. Coldwell wrote about in a little pamphlet called *Am I my Brother's Keeper?*. Over the decades, Canada has been one of the leaders among world nations in saying that we are indeed our brother's keeper. We have been in the forefront in bringing in new legislation and programs to try to help those less fortunate than ourselves.

Members of Parliament should be very much aware of that history and record and very anxious to maintain our reputation among world nations, quite apart but in addition to wanting to help those among us who are not able to help themselves.

We all know some of these people. In every one of our ridings there are individuals who need some help from the rest of us. We cannot do it individually, so we do it collectively and through our governments.

The legislation before us now, Bill C–32, limits the amount the federal government will increase payments to certain provinces to 5 per cent. Where did that figure come from? Why 5 per cent? Why not 4 per cent? Why not 6 per cent? Why not 40 or 60 per cent? It is simply because the Minister of Finance of the day was trying to balance his budget. What about the budget of the people who are in receipt of social assistance?

This plan was the federal government's recognition and acceptance, public confession if you like, that it has some responsibility for people being on welfare in the first place. Certainly there are some who will always be there. Unfortunately, in times like this when there are a lot of people receiving social assistance, history seems to show that the longer they are on social assistance the longer they will remain there. When it goes from one generation to another, it is likely to go for further generations unless something is done to break that cycle. The way to break it is not by cutting back.

The provinces mentioned in this legislation, British Columbia, Alberta and Ontario, had booming economies at one time. Whose fault is it that the economy is not booming today? We all remember the Conference Board of Canada saying that for the first time in the history of Canada we are experiencing a made in Canada recession. It is a recession that was made by this government to further its own monetary policies, regardless of the cost to individuals, provinces, corporations in those provinces, and workers in those industries.

The government was determined, as part of its plan, to keep the value of the Canadian dollar up, and keep interest rates up in the hope that it could control inflation.

The people bothered by inflation were not the people on the lowest rung. They were barely getting by and inflation generally hit goods that were not of most interest to them.

These people are hurting more now and they are also hurting in what used to be called the have provinces. As someone said earlier, when those provinces were booming there was an inclination for people to travel to B.C., Alberta and Ontario because those were the best places to look for jobs. It did not always work.

I recall being in Newfoundland and hearing the story about the chap who went to Toronto because he heard there was work there. He stayed there for 15 months and then returned home. He never found a job. His statement to his fellows was: "I guess I must have been there in the wrong season".

It was not always easy to find work in those provinces, but certainly for a time they were the best places to go if you were looking for a job. People did flock to all three provinces and the population increased there. When the government tightened the screws and managed to create a made–in–Canada recession, there were far more people there going on social welfare than had ever been the case. The higher population loaded a greater share of the cost of looking after our brothers on those provinces.

The federal government created this mess by manufacturing this made-in-Canada recession. It is not fair for the government to wash its hands of the problem and say those provinces can afford to look after these people within their borders. At one time they might have been able to pay for the social programs, but they cannot now. It is not fair to those provinces, but more than that, it is not fair to the individuals involved. The governments within those provinces in particular are the ones that are hurting. The word is spreading across the country, of course. One wonders where the federal government is going to go next in this matter of cutting back on social assistance.

The governments in those provinces are having to keep down the rates of welfare paid to people on social assistance. They are cutting back on social assistance programs generally, which makes it even more difficult for them to survive. It is not only hurting their chances today, but spoiling their chances of improving their position at any time in the future, even when the economy does turn around.

The government is concerned about the cost of these programs. What about the cost of what we are doing to these individuals? What are we doing to our country when we increase the number of people depending upon social assistance who may never get out of that net again? That is hurting us. Can we afford not to look after those people properly? I suggest not.

Some of my colleagues have mentioned different ways the cost could be met. It is a relatively small amount. It is a lot of dollars in total but it is a relatively small amount that the federal government is saving by holding back on the money that is going to these provinces.

There are ways in which the government has let up in other areas. The government has let up, for example, in the way of taxing capital gains. The government has cut back on the rate of income tax being paid by the highest income earners. Of all people, they are getting the break. The government has given more tax breaks to people in the highest incomes by increasing the amount of money that they can put into RRSPs. They can pay tax on it some day in the future with the possibility that the government will give them further relief somewhere down the road.

It seems to me the government is making it easier for the people in the highest income brackets, while pleading poverty when it comes to helping those most in need.

We are our brother's keeper. The government has created this recession and has a responsibility to do something to make it easier for the people in the lowest levels of our society. Government created this mess and has a responsibility to do something positive. Cutting back, as we are, to those who most need help is not the way to go. It is setting a poor example in our whole community. It is building up problems for the future, not just for the individuals and the families of those concerned, not just for the children who far outnumber any other single group in the total social assistance group, but for us as well. When they suffer, can we really go around and pretend that all is well with us?

Canada has had a good reputation. More importantly, we have looked after those who need help most to some level. We could do better and we should do better. Any money that is given to people to help them survive is spent within Canada. It is not spent on holidays abroad. It is not spent on purchases of expensive imported goods.

• (1600)

The money turns over and over within our own country. We can finance it, we can do it, we must do it, we owe it to ourselves to make sure that we look after those in our own community who cannot look after themselves. We are our brother's keeper.

[*Translation*]

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, the question one must ask itself today is why did the federal government wait until 1991 to control the growth of transfer payments to the richest provinces?

As early as 1987, Ontario was experiencing a full employment situation and was beginning to generate an increasingly stronger inflation which led to the recession that we now have. Following a long study on the nature of unemployment in Canada, the Canadian Labour Market and Productivity Centre said: "The main conclusion of our study is that, except for Ontario, the unemployment rate in 1987 is well above that which could explain a mismatching of vacancies and individual unemployed workers. In other words, there are still enormous possibilities for growth outside Ontario, to reduce unemployment through economic expansion".

What did the federal government do in 1987? The federal government capped equalization payments for the poorer provinces. It must be mentioned that since the Conservative Party was elected, transfer payments from the federal government have increased by 8 per cent in Ontario and by 3.5 per cent in Quebec. At a time when Ontario still had full employment, the federal government was still supporting the economy of that province by adding hundreds of millions in transfer payments while it had decided, as early as 1987, to cap the equalization payments to provinces that could still create jobs and that needed those jobs. Since Ontario enjoyed full employment, it was obvious that to promote economic expansion in that province would necessarily fuel inflation. That inflation would have to be controlled some day and, of course, it was controlled in an excessive way.

Today, a province that was prosperous before, namely Ontario, finds itself in a relatively catastrophic situation from a budgetary point of view. For this year only, the federal government just cut $3 billion in transfers, when we are in a recession and when the unemployment rate stands at 10 per cent. How can you explain that this government did not take appropriate action as early as 1987? If it had, the inflation rate would have been much lower in Ontario and we could have implemented an expansion policy elsewhere, as well as create the necessary jobs. Whether in the maritimes or in Quebec, there were still great possibilities for expansion because the unemployment rate was high.

Rather, the government immediately reduced the transfer payments to the poorer provinces and then waited, probably because Mr. Peterson was a friend, until the situation got out of control. Why do this in 1991 when, on the contrary, we should promote economic recovery? Mr. Speaker, the reason is simple: The federal government has no room to manoeuvre. The federal government is no longer able to stimulate the economy and to dissipate this gloom among consumers. The only option left now for the federal government is the one it is implementing, that is to discourage even more those who have lost their jobs and to make the budgets of the provinces unbearable. In the next few weeks, we will have a chance to see the federal budget. We can indeed expect the deficit to be contained now. Why will the federal deficit be contained? For a very simple reason: Because with legislation like this and previous decisions to limit equalization payments and payments to the provinces for health services, the federal government has transferred its deficit to the provinces.

From now on, the federal deficit can be controlled, but people will not feel any better about it. The provinces will have to pick up the slack. They will have to overtax and do what they have started to do, pass the buck to the municipalities, which will also have to raise their taxes.

In his New Year's message, the Prime Minister told us that Canadians are taxed enough. So of course the federal government won't impose any new taxes. Of course the federal government has done everything to ensure that the provinces and municipalities will have to tax in future.

People who live in Montreal or any community in Quebec will soon receive their municipal tax bills. Wait till they see the percentage increase. The Government of Quebec, of course, will pass this bill on to the municipalities because it has been burned by the federal government's refusal to maintain the tax agreements it had made.

Today a parliamentary committee on financing health services began in Quebec City. A shortfall of $200 million to $400 million is expected next year if health services are to be funded at their present level.

The federal government's cuts in transfer payments alone amount to $1 billion. Of course, spending must be limited across the board. The deficits must be limited. When the federal government passes this deficit on to the provinces, it does not solve the problem for the public. People have to live somewhere. Quebecers will have to pay more to Quebec or to their municipal government. That does not solve the problems, Mr. Speaker.

The federal government's drastic measures take much more from the provinces than from itself. Transfers to the provinces make up 22 per cent of the federal budget, but cuts to the provinces account for 33 per cent of the federal spending reductions.

Give Quebecers the choice now: Do you want to cut health services or the military budget? That's not hard, the answer is obvious. However, we do not have that choice. We do not have the choice because the federal government has decided to cut health care in an underhanded way, despite the fiscal agreements with the provinces. On the contrary, the minister of health goes around saying, "We want to maintain national standards." He is sure that everyone must have services, but they do not pay anymore—the provinces do.

For us in Quebec, there is a simple solution for that: We want our own military budget. We want to be a real sovereign country that controls its total budget and can administer all its taxes and the people will be able to decide on a clear vision. Do you want to cut defence? Do you want to cut health care? Do you want to cut international travel? At present, it is a total mess with shared jurisdiction. You can announce generous intentions, as Ottawa does, fine health care standards that others pay for.

The Prime Minister, who adoringly follows President Bush, should at least take a passage from his latest speech. Mr. Bush asked Congress to stop giving member states of the American federation any mandate without the money to carry it out.

We have the opposite situation in Canada. National standards are to be raised. The federal government wants to increase its power with a little politicking, to give itself a good image; it will impose very high standards for health care, but the provinces will have to pay, the municipalities will have to pay.

• (1610)

You cannot make rational decisions or pass responsibility on to the citizens if one government can impose standards and another government has to pay.

Of course, we agree that in the present Canadian context, as long as we are in it, it is unacceptable for federal transfers to the richest provinces to continue to grow as rapidly as in the past—

The Acting Speaker (Mr. DeBlois): Order, please. I must tell the hon. member that his time has now expired. Resuming debate, the hon. member for Stormont—Dundas.

[*English*]

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, I welcome the opportunity to join in the debate today on Bill C-32, an act to amend the Canada Assistance Plan.

When the CAP was first introduced in 1966 by the Liberal government of the day, it facilitated a cost-sharing arrangement between the federal, provincial and territorial governments in order to provide welfare and other forms of social assistance for Canadians in need.

The plan enables the federal government to provide financial support for the provisions of social assistance and institutional care for Canadians across the country, as well as the provision of welfare services designed to lessen, remove or prevent the causes and effects of poverty, child neglect and dependency on public assistance.

[*Translation*]

By helping the provinces assist the needy, Canada Assistance Plan ensures a social safety net for those who need it. That makes CAP a cornerstone of Canada's social security system.

[*English*]

The Canada Assistance Plan helps many Canadians. In times of poor economic conditions and especially during the current recession, demands placed upon provincial and municipal governments to deliver social programs and services are increasing steadily. However, instead of stepping in to provide additional help, the federal government in its 1990 budget froze for two years any increase in federal Canada Assistance Plan contributions to provinces which do not receive any equalization payments. The provinces affected by this decision are Ontario, Alberta and British Columbia.

In its 1991 budget, the federal government indicated it will extend its cap on the Canada Assistance Plan for another three years. It is this extension which Bill C-32 seeks to implement.

Canadians must surely be wondering just what kind of federal government we do have. At such a serious time in our country's economic history, the government has decided to further restrict federal social welfare assistance. Part of the government's rationale for capping CAP is that the three provinces concerned are considered to be the richest in Canada. It is truly amazing that the government is ignoring the fact that approximately 50 per cent of Canada's poor families and 54 per cent of all welfare recipients reside in these provinces.

Another Conservative reason for the cap on the Canada Assistance Plan is that we have to cut federal spending and reduce the deficit. I want to make it very clear that we in the Liberal Party find such logic totally unacceptable. We cannot support the government's decision to transfer the burden of the federal debt squarely on the backs of Canada's poor.

I believe the government is abandoning its responsibilities to the poor and disadvantaged of Canadian society. The government has gone so far as to single out these people on the basis of where they reside in Canada. Accordingly, this government seems to believe that the poor in Ontario, Alberta and British Columbia have an easier life than those in other parts of the country. Being poor or being in need of social assistance is still the same hardship, irrespective of where you live.

Canadians have witnessed this government's previous attack on unemployment insurance. It has withdrawn its UI contributions and established a system whereby employees and employers pay higher UI premiums and workers have to have more weeks of work in order to achieve less UI benefits.

Canadians have also witnessed this government's reductions to Canada's health care system and post–secondary education. Now Canadians are witnessing the government once again turning its back on the needy.

There is nothing on the horizon to suggest that anything this government will put forward will be a positive step to address the social and economic problems that are besetting the country.

Once again, it will be Canada's poorest, most dependent citizens who will suffer the most from the government's extension of the cap on the Canada Assistance Plan.

According to the government's own figures, over the five years of the 5 per cent ceiling on the CAP, the three affected provinces will lose over $2.1 billion in federal transfers. It is difficult to determine how this revenue loss will be replaced by the provincial and municipal governments in Ontario, Alberta and British Columbia. Certainly social services and welfare programs will be adversely affected. As a matter of fact, some will be eliminated altogether.

In my riding of Stormont—Dundas, the child abuse centre in Cornwall was forced to close in September of last year, due in part to the inability of the provincial government to adequately fund it. A heavy demand is being placed on the city of Cornwall's welfare and social service agencies. At the present time, there are 2,027 individual welfare cases in the city. These cases directly affect a total of 3,537 people as of January 31. Unemployment in Cornwall is nearly at the 20 per cent level and this has had a severe impact on the welfare rolls.

In addition, I recently received a letter from Reverend Allen Tysick who is the director of the Matilda Resource Centre in Dundas county. Reverend Tysick's centre is one of the few operations in this rural section of my riding which offers assistance to the needy. In his letter, the Reverend writes that the ruling government, having the complete power to overturn longstanding social policies, traditions and Canadian culture at will, erodes the very social fabric of Confederation.

He goes on to say: "I ask you on behalf of the poor in your riding to yell at the top of your lungs that the direction of the federal government in relation to the cap on the Canada Assistance Plan is unjust and totally unacceptable".

In conclusion, the objectives of Bill C–32 proves once again that this government has lost touch with the people of Canada. With this bill, the government has indicated to Canadians and especially to the poor just how far it is prepared to go in order to achieve its objectives.

The people of Canada will not forget this callous and totally unacceptable attack on the social welfare services in three of Canada's provinces.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, in rising to participate in the debate on this Draconian measure, I have several points to make about the serious implications of this bill in my own riding of Kingston and the Islands where the government's disastrous economic policies have caused recent economic turmoil.

The figures I have and would like to present to the House concerning the economic situation in Kingston are mirrored across the province of Ontario and are obviously ones that cry out for assistance instead of the kind of bill that we are being asked to pass today.

From the Labour Market Information Report published by the Canada Employment Centre in Kingston, I would like to quote some figures about welfare caseloads in the city itself. It is estimated that in Kingston one of every 25 people is collecting welfare benefits. This does not include those receiving family benefits or unemployment insurance. In 1989, Kingston's welfare payments totalled $5.2 million. In 1990, the figure was $8.6 million and in 1991, it will be approximately $14 million by the end of December.

It is predicted that this upward trend will continue with an estimated further 60 per cent growth in caseloads over the next year. This could bring welfare payments over the $26 million mark by the end of 1992, compared to only $5.2 million in 1989. The welfare caseload in this area is up about 140 per cent compared to last year, with the provincial average being slightly higher.

In the light of conditions like that, the fact that the federal Parliament is being asked to pass a bill to cap the transfer payments to provinces which are experiencing this massive growth in welfare costs is absolutely amazing. What is more astounding is that this Parliament has already been asked to pass another bill by this government which helped create this situation. That was Bill C–21 which the government says is such a wonderful thing.

Part of the reason for the increase in welfare caseloads is because so many people are no longer able to collect unemployment insurance because of the shortened periods in payments and the longer qualification periods.

If you look at the welfare caseloads in Kingston, you will see that already they are far higher than they ever were during that much talked about recession of 1981–82 of which the Minister of Finance is so keen to remind Canadians. He talks about it as though it was a great disaster. We know that the current recession is worse.

In a community where the official unemployment rate is at 10.2 per cent as of December of this year, as I have already indicated, the welfare rolls are at their highest in the last decade, one would think that the government would take some action to alleviate the situation instead of causing deeper distress, but it does not. Let us look at the record of the provincial government because that is how we see how the other party that sits in this House would act when it is confronted with a similar situation.

• (1620)

Day after day the New Democratic Party members rise to condemn the government, as we have, for bringing in this kind of measure. They, like us, opposed Bill C–21 and said it was wrong and very bad. But the moment their colleagues get into office in Toronto they start acting exactly the same way. It is a most unbelievable thing.

We know that the premier of Ontario received his tutelage in socialism here in this House. He was a member of this House and I presume talked to his colleagues in caucus from time to time and learned something about the tenets of the party's approach. Yet they took office in Ontario and we hear these criticisms today of this freeze on transfers to the province of Ontario for welfare. In Toronto we see the government apply a 1 per cent increase to the municipalities. The municipalities pick up a large part of the cost of welfare in Ontario, in case the members who are here from British Columbia and Saskatchewan do not know that, and the fact is that those payments are now at 1 per cent from the provincial government in Toronto.

The province of Ontario recently published a statement "Ontario Fiscal Outlook". The premier went on television and I quote him. He said: "Today we told municipalities, hospitals, colleges, school boards and universities that they are being held to the lowest increase ever". Those were his words: "the lowest ever". Yet they were given by the NDP premier of Ontario.

An hon. member: It is because of the Liberal deficit.

Mr. Milliken: There we have the help. The hon. member for wherever it is says it is because of the Liberal deficit. Does that not just sound like the people across the way? Every day the Minister of Finance stands up in answer to questions and says: "The reason we are in this trouble is because of the Liberal deficit. Seven or eight years ago when we took office we could have solved it. We did not and it is because of the Liberal deficit".

When Bob Rae took over, Ontario was doing just fine, thank you very much. The deficit was very small. It was grossly inflated by the premier of Ontario by adding in a whole bunch of charges he felt he should stick in, in one year to make it look bigger. It was effectively a balanced budget that he was left with when he took office.

An hon. member: Shame on you.

Mr. Milliken: The hon. member says shame on me. I have some figures here that back up every statement I am making.

Ontario's revenues throughout the Liberal years, and I do not like to be too partisan in this, grew by 12, 8, 14 and 11 per cent, enormous increases because the province was booming. In 1990 it grew by 4.2 per cent. In 1991, the first full socialist year in Ontario, it declined by 1.5 per cent. Tory times are hard times. NDP times are worse.

I want to go back to the figures I have to deal with here. A 1 per cent increase has been given to the municipalities by the NDP government in Ontario and they are blaming the Liberal deficit. The Conservatives here blame the Liberal deficit for a freeze. They are saying the reason they have to go through this freeze on the transfers to provinces is because of the Liberal deficit. They have been in office seven years. The NDP has been in for a year and a half in Ontario. They have had lots of time to solve the problems. The difficulty is they are not taking any steps to do so. I have additional evidence.

I want to quote from an outstanding socialist thinker, Mel Watkins, a University of Toronto economics professor and NDP activist. He must have received a lot of support from the hon. member who was heckling me a moment ago.

In *The Globe and Mail* on Saturday, January 25, he had this to say. He said in an interview, and I quote: "Austerity policies should be avoided like the plague. I do not know what the point is of having a social democratic government if it does the same thing that any other government would do". Well, he made a mistake. It is not the same as any other government would do, it is the same as a Tory government would do. That is what it is.

What we see here is the Tories doing exactly the same thing as the NDP does and the NDP doing exactly the same thing as the Tories do. There is no difference between these two parties. Why vote for one instead of the other? As soon as they get into office they do the same thing.

They talk a great line when they are in opposition. The Tories spoke the same line in opposition that the NDP members are speaking today, but when they get into office in Ontario, we see that they behave in exactly the same way. It is a shocking thing that the Canadian people are hoodwinked by these parties when they are in opposition.

The Liberal Party is one of generosity and spirit. Sure, other members complain about the deficit and they all complain that they have to fix it after we leave office, on very phony grounds in the case of the province of Ontario, but the fact is that we display a generosity of spirit that makes this country grow as the growth in the figures in the Ontario revenue prove. They grew enormously throughout the period of Liberal administration and I say to you, Mr. Speaker, that has been the practice in Canada generally.

We do not have problems today that are different from the past, but what we do have is a meanness of spirit displayed by the freeze in this bill, this cap on CAP. It is displayed in the 1 per cent freeze, 2 per cent next year and 2 per cent the year after that has been imposed by the New Democratic Party government in Ontario. When you look at those combinations of self-interest, the effort to protect the one group each represents instead of trying to do something generous for the whole population, you really see the difference between the Liberal Party and the way it operates in government, and the Tory and NDP members who act exactly the same.

Protect the group that you feel you owe your protection to and then forget everybody else, cut them all to the bone. Cut the poor to the bone, help your business friends. Cut the poor to the bone, and help your union friends. That is what the New Democratic Party is trying to do in Ontario. That is what the Tory government is trying to do in Ottawa. Mr. Speaker, we need a Liberal government in the worst way.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Before recognizing the hon. member for Kamloops, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Halifax—Goods and Services Tax; the hon. member for Calgary Northeast—Croatia; the hon. member for Cape Breton—East Richmond—Unemployment Insurance; the hon. member for Don Valley East—The Constitution; the hon. member for Sault Ste. Marie—Hibernia.

The hon. member for Kamloops now has the floor.

[*English*]

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am pleased to have the opportunity to speak in today's debate on Bill C-32 which is called a cap on CAP.

It is important that we understand just what is occurring here, particularly those folks who are watching on television and listening to the debate today. We are dealing with a very cruel piece of legislation, a piece of legislation that is, if you like, attacking the victims of the recession. We do not have to elaborate. Everyone in the country is aware of the tremendous economic downturn that we have experienced for the last number of years, the deep recession that we are struggling through these days and in some parts of the country, it is very, very close to depression-like conditions.

There appears to be a sense of hopelessness across the country because the government does not seem to be doing anything about getting us out of this recession. It has announced, of course, that it simply plans to stay the course and do essentially what it has been doing. People across the country are saying that it is not enough, that it is certainly not adequate and we have to change course.

On top of all of that—I want to elaborate here on what is a very pessimistic and gloomy history—the government now plans to introduce legislation to make things even worse, particularly for those people who are suffering the most. I am thinking of those families and individuals who are now dependent upon various social service programs, dependent on welfare. The government is now saying that it is not going to contribute as it has in the past to these programs. It is going to offload its responsibility on to the backs of the provinces and on to the backs of municipal taxpayers.

Over the years, the Canada Assistance Plan has been a shared program, a 50/50 program where 50 per cent of the cost of social programs came from the federal government and 50 per cent came from the provincial governments and so there was, in the Canadian spirit, a sharing of responsibility to provide for those folks very seriously in need.

• (1630)

The government a few years ago decided to get out of the sharing business and say: "We are not going to continue 50/50 cost sharing. We are going to reduce our share of the financial cost". It introduced Bill C-69 which capped the payments from the federal government at 5 per cent each year. If the costs went up 20 per cent or 30 per cent, the government said: "Tough beans, the provincial governments have to pick up the tab".

This 5 per cent cap, which applied to British Columbia, Alberta and Ontario, now through this particular bill, Bill C-32 which we are debating today, extends this principle until 1995. The costs of welfare are escalating in Ontario, Alberta, British Columbia and throughout the country generally, and the government says: "We are not going to in those provinces contribute as we traditionally have".

British Columbia as a result is having to accept hundreds of millions of extra dollars in costs because of the provincial government reneging on its traditional commitment. Let us face it, the number of people dependent on social services is increasing by the day as a result of the free trade agreement and the goods and services tax and other federal government programs. The newspaper today said that in this year alone this particular bill is going to add to the provincial taxpayers in Ontario $900 million in additional costs. That is almost $1 billion in this one year alone.

In the province of British Columbia, it will result in hundreds of millions of dollars over the next handful of years that traditionally would have been borne by the federal government. Now the government is saying: "British Columbia taxpayers, you have to pay twice. You have to pay now through the normal tax dollars but also special additional funds coming from provincial taxes".

The British Columbia government thought that this was actually not even constitutional and that the federal government did not have the right to break this 50/50 cost sharing. As a matter of fact, the British Columbia Court of Appeal ruled recently that the federal government did not have the authority to unilaterally alter the Canada Assistance Program agreement.

That is what the court in British Columbia said: the Government of Canada did not have the right to unilaterally break this ongoing tradition, this ongoing agreement of 50/50 spending. This is very serious because the government obviously is continuing. This has gone to further courts, but I will save that for another time.

The point is the following. This Canadian spirit of sharing in the cost of helping those in desperate need in many cases now has been abrogated by the federal government. It is getting out of the business of caring and sharing.

Let us also recognize, and I appeal to my Conservative friends opposite, that the greatest victims of this particular legislation will be the children of Canada. Today, unfortunately, 1 million children in this country are living in poverty. As a result of this legislation, their lives are going to be made even tougher and will result in more children living in a state of poverty in our country. I think that members should be aware of this. I only assume that my Conservative friends opposite have not read this legislation because I cannot imagine anyone supporting legislation that would impose more suffering, more cruelty, on those children already living in poverty in this country. This is exactly what Bill C-32 does.

We have had a number of witnesses who appeared before the committee examining this legislation. We have the long list of their testimony, pages and pages. Every single witness, every single group, every single individual who is expert in the area of social assistance said to the Government of Canada: "Do not proceed with this legislation because it is so cruel and it will punish those people who are the victims of these difficult economic times".

When every single witness says that, when every single witness had the same piece of advice for the government, to simply ignore that is the height of irresponsibility. No wonder the people across Canada feel that this government does not care any more. No wonder 88 per cent of Canadians said that they do not care for this government, that they have lost faith in this government. The government simply ignores every single witness who appeared before the committee on this piece of legislation.

I was originally going to go through and simply read out some of the critical points that all of the witnesses made about this legislation, but obviously time does not permit and I think most members will have read this anyway. Particularly, I would encourage the members of the government to make sure they read these points because, for example, it points out that child care is under attack as a result of this legislation. For poor families desperately relying on child care this is going to make child care an even more serious issue because it is going to reduce funds available.

In closing, I want to simply say that a lot of people have suggested that we have got to cut back in social services because they are the areas that have added to our debt or have been causing our debt. I want to simply draw to the House's attention a new Statistics Canada study which shows that the large increase in the federal debt over the past 15 years was not caused—I emphasize not caused—by increases in program spending, as the government has repeatedly alleged. Instead, most of the increase was caused by corporate tax breaks and high interest rates. They are the culprits and we should be, if you like, closing off some of the major corporate tax loopholes so that we do not continue seeing tens of thousands of profitable corporations, in some years even including the banks of Canada, not paying their fair share of income taxes.

As Statistics Canada tells us, it is not the social programs that have caused our debt, it is the corporate tax breaks and the incredible high interest rates which have caused the high interest payments on our debt.

Let us at this last moment, this eleventh hour, acknowledge the fact that this legislation before us is painfully cruel legislation, and that it will hit the victims of the recession, those who have suffered most, even more. If for no other reason, let us be compassionate in this eleventh hour and vote against this legislation when the opportunity comes to ease some of the pain and suffering that Canadians are experiencing from coast to coast to coast.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, the issue before the House is another example of this government's endless cuts to the social safety net in Canada. In the 1989 budget the government announced that it would be limiting the growth of spending under the Canada Assistance Plan. In that budget the government said that it would not provide increases above 5 per cent for the provinces of Alberta, British Columbia and Ontario. In the last budget it extended it to a five-year period for the cutbacks.

The Canada Assistance Plan is a program which was set up under Lester Pearson in 1966 and was part of the Liberal Party's commitment to the well-being of Canadians in need. The program provided money to all provinces on a 50/50 cost-shared basis to cover general welfare programs in the provinces. This was a bold move designed to strengthen the social safety net in Canada. The program came out about the same time as our first national medicare plan, another important advancement for Canadians.

Since this government came to power in 1984, it has systematically attacked Canadian social programs. In its first budget this government tried to deindex seniors' pensions. A lot of thanks and praise must go to Canadian senior citizens. They stood up against the Minister of Finance and stood up against the Prime Minister and were able to convince the government to withdraw that legislation.

In 1986 the government started to change the funding for post-secondary education and medicare under the Established Programs Financing agreement. By the end of this decade the government will have saved about $100 billion through its changes to Established Programs Financing. In 1989 the government instituted the claw-back on old age pensions and family allowances, taking them back if your income was too high. This government did this without providing inflation protection to those affected.

Last year the government started its attack on the Canada Assistance Plan.

• (1640)

All of us here remember the Prime Minister's famous comment about how our social programs were a sacred trust. We all know now what the Prime Minister means by a sacred trust, unfortunately. Now the government would have us believe that the provinces affected by this cut can well afford to pick up the slack, but I do not think that is the case.

The country is still in the grips of a recession which this government has created. Provincial government deficits are up across the land and the governments can ill afford the extra borrowing required to make the difference. From what I understand, welfare cases are up over 50 per cent in Toronto over last year.

A strong argument can be made that the federal government is directly responsible for those large increases in the welfare rolls.

Last year, the government forced through its changes in the Unemployment Insurance Act with Bill C-21. The bill reduced the unemployment insurance that people could collect, and after the unemployment insurance ran out they had no other alternative but to resort to the welfare rolls.

The members opposite would normally suggest to the people on welfare that they go out and get a job. Where do they go and get a job? Through the combined affects of the free trade deal, the government's high dollar and high interest policies, businesses are forced to leave Canada for the United States where the cost of doing business is lower.

Some people would suggest that I, as a member of Parliament from Prince Edward Island, have nothing to worry about. My constituents are not affected. That might be true right now, but what will happen next year?

We know that the government promises are not worth the paper they are written on. We know that next year it will possibly put the cap on CAP on three or four more provinces. In the next year, hopefully to God it will not be here.

The Canada Assistance Plan was a federal-provincial agreement, a contract signed between Ottawa and the provinces. According to the agreement signed, the federal government could only amend or cancel the plan with the consent of the province involved. After the first attack on CAP last year, the Canadian Council on Social Development said: "These requirements are important because CAP was established through federal-provincial collaboration and trust. By acting unilaterally, the government has betrayed this trust".

If the federal government has broken its promises with three provinces, as I said before, then certainly nothing is stopping it from breaking its promises with the other seven provinces. Since the Conservatives came to office in 1984, there have been a litany of cuts to our social programs, programs that our people depend on.

I challenge the government to justify its cuts. The Prime Minister should consider the young student who has possibly worked all summer to gain enough money to pay the tuition and then finds out, when it is time to go to college, that because of the cap on CAP tuition is higher and he or she cannot afford to attend university. This is cutting off the poorer people.

The government should consider the senior citizen or anybody else in the country waiting for a hip replacement. They might be waiting for three or four months and suffering. Possibly a doctor goes in and explains that because there is a shortage of funds, they will have to wait for another one or two months. This is just not acceptable.

The government should explain to the fish plant worker who is getting three, four or five weeks less unemployment what she or he is supposed to do when the unemployment runs out. It should possibly explain to the woman on welfare in Toronto why her cheque does not go as far just because we could only afford 5 per cent.

These are the questions the government will have to answer if it is to justify CAP. This move by the government will endanger all Canadians, regardless of where they live.

As I stated earlier, the government has broken the spirit of trust and co-operation that existed between the federal government and the provinces. For the first time in the history of CAP, the government has acted unilaterally to change the contract.

While the court says that Ottawa is not legally bound to the agreement, it is morally obliged to keep its part of the bargain. This time when the country faces so much turmoil, I think it is very unfortunate the federal government would break a deal, break the trust with the provinces. Trust is something that we need between Ottawa and the provinces.

The country is going through tough times. The problem is the federal government puts it on the backs of the provincial governments and the provincial governments put it on the backs of the municipalities. In the end, it is the poor who suffer. For example, we have a large number of children in this country now who are in hospitals suffering from malnutrition. It is certainly not the wealthy. It is the poor children.

Possibly the mothers have to substitute the proper formula for something they can afford to buy. I certainly believe that most people in this country would find that totally unacceptable. Also, as I stated before, these are the children who cannot get to university. In fact, these are the people who will end up waiting and waiting in line to get medical treatment.

This is just not acceptable and I would ask the government members to please find a place in their hearts to look at this cap on CAP, withdraw this legislation and let us in this nation take care of our poor.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I feel privileged, but I also feel very saddened to be rising to speak to a piece of legislation that in fact entrenches wrong-headed thinking and the wrong direction this government has undertaken in the last number of years. Many in this House and in Canada will remember that as his last public act as leader of the New Democratic Party, the Hon. Ed Broadbent introduced a motion to this House calling for the elimination of child poverty by the year 2000.

Ironically, there was unanimous support for that resolution in this House and yet the largest single group of Canadians to be affected by this piece of legislation to continue the capping of the Canada Assistance Plan will be children. They are the largest single group receiving social assistance. Why should children be on the receiving end of this mean-spirited legislation that the government is introducing? Why should they be the first to take the brunt of the attack of restraint that this government is introducing? Children are powerless. They are unable to defend themselves.

In fact, there are several sectors of society that have not yet felt the government's restraint. One of them is the portion of big business enjoying incredible tax breaks. Yet today we are introducing and debating a capping of the Canada Assistance Plan for the have provinces, three provinces in this country and it will be children who are most affected.

Mr. Milliken: They are debating the same thing in Toronto, too.

Ms. Langan: How will removing money from social assistance help children to escape poverty? How will that help us to eradicate poverty by the year 2000? It is particularly ironic that Canada ratified the United Nations Convention on the Rights of the Child in December, since Bill C-32 will have an absolutely devastating effect on the health and well-being of Canadian children who rely on social assistance. The UN convention reads: "States parties recognize the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development".

• (1650)

Canada's social assistance rates ensure none of the above, and the federal government is cutting the funding back even more. Canada is one of the world's wealthiest nations, and yet there are close to 1 million children in this country living in poverty.

We are second only to the United States in the level of child poverty in the industrialized world. These children are being asked to pay for the loopholes that are being offered to major corporations. I ask you, is this just?

The hon. member for Kingston was most sanctimonious about his party, the Liberal Party, and its role in protecting Canadians from cuts. I would like to remind the hon. member that the Liberals were the first to break the agreement between the provinces during the Trudeau era by going from matching health care funds to block funding, and they did the same with post-secondary education. I would suspect that the hon. member might want to either review his history or rethink what he says in this House. The hon. member might also want to remember the six-and-five, the anti-inflation board, the AIB, after promising before an election that they would not impose wage controls. I would ask the hon. member to reconsider his remarks.

How can this government call provinces with huge deficits like British Columbia and Ontario have provinces?

The hon. member for Kamloops made some references to the federal off-loading measures that this legislation has provided and what the effect will be on those governments. In fact, federal off-loading will cost British Columbia over $1.1 billion in 1991-92. That is $1.1 billion that could be going into children's mouths, housing and education. It could ensure that the children in British Columbia do not go to bed hungry.

Over the period 1991-92 to 2000-01, the negative impact on the economy of British Columbia by federal government off-loading measures will be $32.7 billion. You can feed a lot of hungry kids on $32.7 billion.

The federal arguments are that the provinces are simply being asked to do their fair share, but that is not valid. Cuts in transfers to provinces account for 46 per cent of the federal expenditure control plan, for example, even though provincial transfers make up only 20 per cent of federal government program spending.

Future public sector spending pressures will rest mainly in the areas of provincial responsibility such as health care, education and social services. Provinces are not being adequately funded to meet their growing responsibilities and yet this government is continuing to cut.

I would like to note that since 1967 the federal government has provided funding for provincial expenditures on income assistance and other social services for persons in need through the CAP, but in 1990 the federal government started to nick away at the have provinces. The federal government is reintroducing this legislation and yet two of those provinces have large deficits left behind by outgoing governments and there has been no review.

In the have province of B.C., the average family income is less than the average family income in Canada and yet we are considered to be a have province. I would like to know what kind of rationale creates this kind of policy development. It seems to me that we have to ask why the federal government feels the need to off-load to the provinces.

Failure on the federal government's part to exercise prudent fiscal management has caused a serious debt-load in this country. The federal government wants to avoid visible and direct association to those severe measures it needs to implement to restore financial help by dumping it onto the provinces. The provinces will then have to collect the funds that are necessary and the Tories can walk away saying: "Those guys increased your taxes. We are clean. We are pure".

Canadians are not going to be fooled. Canadians do care about hungry children. Canadians do care about what this government is doing to those provinces, particularly the Canadians in those provinces. This government should stop and think about the impact. Quite frankly, it sounds very simplistic, but this government should be ashamed of itself.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I believe I have 10 minutes allotted to me. I will not have time to complete this evening so I will resume debate the next time we come to this bill.

It is appalling to me that Bill C-32 is brought once again to this House and that the government has not realized that its priorities are all cockeyed when it suggests that it would reduce its deficit on the backs of those most vulnerable and hurting in our society.

Bill C-32 proposes to cap the federal government's contributions to the three supposedly richest provinces, British Columbia, Alberta and Ontario for three more years. This just does not match with the reality, especially as it exists today in Ontario and in my riding of Northumberland.

It said in the paper today that the cap on welfare is costing Ontario $900 million this year. The additional pressures of the need for social assistance have risen 17 per cent this year and yet our government persists in bringing forth this legislation to the House which would reduce government commitment to a 5 per cent cap on the Canada Assistance Plan.

The plan provides assistance, as I said before, to those most vulnerable in our society. The largest portion of the Canada Assistance Plan goes to those who are in need of social assistance or welfare. Almost 40 per cent of those welfare recipients are children. The government thinks it is penny wise, but to my view it is absolutely pound foolish.

Many studies have been done to show that if we neglect to provide the basic, essential needs for children, our costs today and in the future will continue to escalate.

It has been shown that children who are raised in poverty are early school dropouts. They have emotional and psychological problems, are prone to delinquency, and therefore accrue court costs to the government. Because of poor health from malnutrition they are a burden on our health system. Because they drop out of school and do not get adequate training and education, they become unemployment insurance statistics and statistics of social assistance programs as well. Not providing additional support to those most in need in our society is pound foolish in my point of view.

Besides those programs that occur in provinces and in my riding of Northumberland to help those on social assistance or welfare recipients, additional funding goes to our seniors. Those who are most in need are indigent seniors who reside in homes for seniors. Funds go to those programs that support the handicapped, abused women and children who not only live in poverty but are abused and in need of institutional support.

I would like to quote from some statistics. With regard to children, in my riding of Northumberland this past year, social service informs me that in 1984 they handled 590 cases of children needing assistance for protection. In 1991 that total had risen to 959 cases, an 88.4 per cent increase. In 1984 there were 82 cases of children who were taken from their parents and put under care. In 1991 there were 135 cases, a rise of 64 per cent. The actual days in care in children's services since 1986 has risen by 36.15 per cent. Child abuse cases have risen from 64 in 1984 to 243 in 1991, an increase of 279 per cent.

• (1700)

The police departments in my riding say that it is not drugs and alcohol that are the cause of increased traffic through their offices. It is violence that comes from family violence and a lot of that family violence is attributed to our economic situation today where families have such difficulty in providing for basic needs and maintaining a home, a car, any semblance of life with dignity. It erupts very often in family violence.

The director of the children's services agency in my riding attributes much of the increase in his case load in my riding of Northumberland directly to the recession, not alone to the recession but in large part to the impact of the recession.

In my riding over the Christmas holidays the social services agencies in the Northumberland County building had to hold special clinic days in which they had to find a large room, set up desks and have those who were requesting social assistance help file through because their normal procedure of interviews with social workers was just not adequate for the seriousness of the existing situation. The number of recipients of social assistance or welfare has risen very dramatically.

These people are in need. They are not people who are abusing our social welfare assistance. In my own office, day after day after day, I have cases of people who have never been unemployed in their lives coming into my offices desperate and destitute, unable to continue for lack of resources. They are the people who are finding themselves with much loss of dignity in many cases lining up at the welfare offices in my riding.

Your heart goes out to these people and you feel that again this government is being extremely pound foolish in trying to address the problems that exist in our country today in terms of the economy. It loads the burden of trying to accomplish something positive in this country on the backs of those who are least able to cope, our poor and those in need of social assistance and funding under the Canada Assistance Plan.

The Acting Speaker (Mr. DeBlois): It being five o'clock p.m., pursuant to Standing Order 36, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

[*Translation*]

The member for Victoria, Mr. Brewin, has advised me in writing that he would unable to move his motion during Private Members' Hour on Wednesday, February 5, 1992. Since it was impossible to arrange for an exchange of positions in the order of precedence, pursuant to Standing Order 94(2)(a), I would ask the clerk to drop this item to the bottom of the order of precedence.

[*English*]

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

PRIVATE MEMBERS' BUSINESS

[*English*]

CANADIAN HUMAN RIGHTS ACT

MEASURE TO AMEND

Ms. Joy Langan (Mission—Coquitlam) moved that Bill C-293, an act to amend the Canadian Human Rights Act, the Canada Labour Code and Public Service Employment Act (whistleblowing), be read the second time and referred to Legislative Committee H.

She said: Mr. Speaker, it is with a great deal of pleasure that I introduce this piece of Private Members' Business, the act to amend the Canadian Human Rights Act, the Canada Labour Code and the Public Service Employment Act (whistleblowing).

The purpose of this bill is to provide appropriate sanctions against retaliatory discharges by public sector employers of employees who report or blow the whistle on serious misconduct by their employers. In protecting employees acting in good faith, this bill would recognize that there are times when it is in the public interest to encourage employees whistleblowing, particularly when the public health and safety are an issue.

It is also important to note that this bill not only covers public sector workers, but because it would be an amendment to the Canada Labour Code, it would in fact protect all workers under federal jurisdiction.

The amendments to the Canadian Human Rights Act in this bill would amend the act so that it would be discrimination for an employer to punish an employee who, in good faith, disclosed illegal or unethical conduct by an employer. The act would be further amended to provide for the Canadian Human Rights Commission to investigate and report on a complaint.

The Canada Labour Code would be amended by stipulating that retaliatory measures for whistleblowing shall be considered unjust dismissals for the purpose of the code.

The Public Service Employment Act would be amended so as to stipulate that an employee is not necessarily guilty of disloyalty for disclosing matters through a complaint to the Human Rights Commission.

This bill is not about establishing mechanisms whereby workers would seek revenge on their employers. In fact, it is just the opposite. It is to protect workers from the revenge of their employers. An independent assessment of complaints by the Human Rights Commission would quickly separate the vengeful or frivolous from the serious complaint.

This bill is not about encouraging workers to skirt the existing avenues available to them to address their concerns such as normal recording procedures or grievance procedures. The mechanism in this bill would act as an adjunct to what already exists. It is the last resort and when all else fails and every other avenue open has been exhausted, then this bill provides the protection for the employee to blow the whistle.

What this bill attempts to do is to remove from workers the untenable choice they are currently faced with of either turning a blind eye to wrongdoing or sacrificing their careers and jobs. What we are talking about in this bill is protecting workers who blow the whistle on their employers for wrongdoing.

Whistleblowing is a practice whereby workers disclose situations where they know about or suspect the involvement of other employees, the organization or an area of the organization in illegal, unethical or unacceptable activities. It is not so much a mechanism to expose wrongdoing, but rather it is the establishment of safeguards and procedures whereby honest workers have an outlet to discuss their concerns.

By establishing an outside reporting mechanism, in this case the Human Rights Commission, workers who are unable or unwilling to discuss issues which they regard as improper with their employers will be protected from reprisal as well as having someone else offer an independent and impartial assessment of their concerns. The purpose here is not to turn workers into work place cops, but when faced with issues such as discrimination, harassment, fraud, malfeasance or cover-up, workers need and deserve the confidentiality and security of an independent agent in order that they can be secure in the knowledge that their concern would be dealt with seriously and impartially.

• (1710)

What is desired is the right of ethical employees to work in an ethical environment.

In the public sector it is the job of politicians, in particular opposition politicians, to oversee and scrutinize the operation of government. Indeed, in our system of government it is our duty to do this.

We do not expect, nor does this bill anticipate public sector workers to do our job for us. What it would allow is public sector workers to fulfil the responsibility they are charged with knowing that if they report wrongdoing they can do so without fear of losing their jobs.

This bill is not about enlisting public sector workers in the cause of opposition politicians. It is about ensuring that public sector workers, all workers, can do their jobs with the knowledge that the best interest of the employees and the public is being served at all times.

There is ample evidence to demonstrate that workers suffer emotional and physical turmoil in attempting to deal with their knowledge of fraud, conflict of interest, rampant waste, pollution violations or other forms of illegal or unethical conduct.

It was reported in *The Ottawa Citizen* not too long ago that workers have been fired for reporting illegal activity on the part of their employer and they have no recourse even when their allegations have been proved true and the employer fined. The corporation pays the fine and it is back to business as usual, but the worker has still gone down the road losing his or her job and that is a tremendous damage to one's career for being honest and open.

An American study found that in the absence of any protection, 90 per cent of whistleblowers lost their jobs, 26 per cent sought psychiatric or medical care and 10 per cent attempted suicide. This is a horrible price to pay for being honest and expecting honesty from one's employer.

We have a case right here in Canada, and I am sure there are innumerable cases, but I would like to cite one that has certainly been before the media a considerable amount in the last number of years. That is the case of Dr. Pierre Blais. He was a research scientist at the bureau of medical devices.

He prepared an article for a U.S. medical journal raising questions about the breakup of polyurethane foam on the Meme breast implant. A version of Dr. Blais' 1986 article on the breast implant appeared in a September 1988 issue of *Transplantation Implantation Today*, a Canadian journal.

In January 1989 Dr. Blais learned that the polyurethane foam used in the Meme was first developed for use in industrial products such as air conditioners and carburetors. On January 6 bureau scientists recommended to the bureau and asked the Meme manufacturer to voluntarily remove the implant from the market until its safety could be documented. It was overruled by Health and Welfare officials higher up the bureaucratic ladder and instead Surgitek was invited to submit data.

In January 1989, Dr. Blais wrote a strong letter to his department superiors strenuously recommending the Meme be removed from the market. In March 1989, Dr. Blais was ordered to sign an edited version of his memo. On March 6 he signed the edited memo. On March 9 he was instructed by his immediate superior to destroy his original memo and report. In July of 1989 stating unsuitability for employment in the Public Service, Dr. Blais was in fact issued an immediate dismissal notice.

Now subsequent events have in fact vindicated Dr. Blais, and yet Dr. Blais is still not in the employ of the federal government nor does he have any means to become employed again by the federal government.

He is a man whose career was on the line and in his case he has overcome that. But that is not the way we want people who work for us to be treated when they raise serious concerns.

A survey published in *Industry Week* magazine noted that 25 per cent of its readers said that their boss had requested them to behave in a manner they considered unethical. Most simply swallowed hard and did what was asked of them as they felt that they had no choice but to comply. This bill would give workers that choice.

If we take a look at the whole concept of whistleblowing legislation, we really are asking for public sector workers or workers under the jurisdiction of the federal government to have the right to report wrongdoing by their employer without fear of reprisal and knowing that their jobs are secure.

It also provides that the reporting would be done through the Human Rights Commission. We are not suggesting that public sector workers go out and make unfounded statements in the public that could be very damaging to Canada. We are suggesting that there be a forum under the Human Rights Commission where that worker could go and take his or her complaint. It would be independently assessed by the Human Rights Commission. After the independent assessment and if it were found that there was validity to the complaint, the worker would not find himself or herself subject to dismissal for having blown the whistle.

It is very interesting that the United States has this type of legislation in place. It has not resulted in irresponsible actions being taken by American workers. We are saying that it is very important legislation. It is very important for us as lawmakers to ensure that the people who work for us and on behalf of Canadians have the ability and the vehicle through which they can raise concerns of wrongdoing by employers.

In 1986 the Ontario Law Reform Commission, in its report on political activity, public comment and disclosure by Crown employees, concluded that government employees should not have to rely on the limited common law public interest defence alone if they are disciplined for whistleblowing but rather should be given statutory protection. That is what this legislation seeks to do.

This type of legislation should complement, not compete with, the other obligations public sector workers have to their employer, including confidentiality. It is very important that it be understood that we are not suggesting workers violate confidentiality in a public way. We are suggesting that there be a vehicle to protect confidentiality and to protect the worker's obligation to report a wrongdoing.

This type of legislation would enhance the accountability of the public sector, federal jurisdiction workers and government to provide another instrument by which government action could come under public scrutiny. After all, this is very much what Parliament is about. We have a responsibility to be subject to public scrutiny as do the departments and the people who work for us.

Federal jurisdiction employers like airlines, rail transport and truckers have a responsibility to be scrutinized for the public good and for the protection of the public, certainly in the area of the environment.

In closing, I would ask the hon. members from the other parties to consider this legislation very seriously. As parliamentarians I believe we should take pride in those who labour on our behalf and on behalf of the Canadian public. At the same time we should protect those honest workers who feel duty bound to point out wrongdoing by their employer but are unable to so today because of lack of legislative protection.

I would urge hon. members to support this bill so that Canadian workers under federal jurisdiction would be protected in carrying out their duties.

• (1720)

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, I am pleased to participate in the debate on Bill C-293, a bill to amend the Canadian Human Rights Act, the Canada Labour Code and the Public Service Employment Act. This bill proposes what in common parlance is known as whistleblowing legislation.

This matter has been aired in this Chamber a number of times in recent years as a result of private members' bills and motions. Therefore not a lot new can be said that would in any other way add or clarify what has already been said. Indeed, in 1986 a bill almost identical to the one now before the House was tabled, was debated at length and was not passed.

I would like to say at the outset that I applaud the hon. member for Mission—Coquitlam for this expression of concern for efficiency and effectiveness in federally regulated institutions and particularly for the implied concern for the health and safety of workers employed therein. I share her concern and would be eager to support any measure that would contribute to the improvement of safety in Canadian work places.

Every year in this country about a thousand workers die and many more are seriously injured as a result of work place accidents and employment related illnesses. In addition to the pain and suffering that results, these accidents and illnesses take many billions of dollars out of the economy in the form of lost wages, lost production, equipment damage and compensation payments.

If Bill C-293 offered even a partial solution to this serious problem, I would gladly support it. Unfortunately the bill before us does not offer such a solution. If passed, Bill C-293 might obstruct an effective existing procedure under the Canada Labour Code for preventing potentially hazardous working conditions. It might even create an atmosphere of confrontation and hostility in certain work places, which could be itself a threat to worker safety.

I would like to explain how such a situation could arise by describing what happens under the present legislation when, in the words of Bill C-293, an employer is engaging in or is about to engage in conduct that would endanger the public health or safety.

In most such cases, under federal jurisdiction the employee would be protected by the right to refuse dangerous work provision of the Canada Labour Code. If an employee has reasonable cause to believe that a particular work process or condition could be dangerous to himself, herself or to any other employee, the employee has the right to refuse to do the work without being subject to any discriminatory treatment because of the refusal.

In certain cases these conditions could have public safety implications. For example, a truck driver being required to drive in excess of the maximum permissible hours may pose a threat to employee and public safety. There are already clearly established steps that must be taken when an employee refuses to do dangerous work.

(1) The employee must inform the employer of the refusal to work and the reason for it and also report the incident to the work place safety and health committee or representative.

(2) The employer must then investigate the condition along with the safety and health representative or a member of the committee.

(3) If the condition is not corrected to the satisfaction of the employee, a safety officer is called in to investigate the complaint.

(4) If the employee still is not satisfied that the condition is safe or has been corrected, the matter may be referred to the Canada Labour Relations Board for adjudication.

Throughout this process the employee is protected from any discriminatory treatment, including dismissal because of the refusal to work in dangerous conditions. What is more, the Canadian Labour Relations Board has the authority to make the employer reinstate an employee who has been dismissed for this reason, rescind any disciplinary action and repay any wages the employee may have lost because of the employer's discriminatory action.

Furthermore, under the Canada Labour Code an employee who complains to the Minister of Labour about any irregular working conditions imposed by the employer may request that his or her identity be kept secret. In short, the intent of Bill C-293 in so far as it concerns the issue of work place safety in federally regulated institutions is already being met by existing legislation. The passage of Bill C-293 would not offer further protection to workers in these circumstances. In fact, it could even lead to confusion as to what process takes precedence.

This government takes very seriously its responsibility to improve safety and health in Canadian work places and over recent years has been implementing a policy to ensure that employers and employees comply with the occupational safety and health regulations that have been drafted into law. Fundamental to this compliance is the recognition that occupational safety and health is the joint responsibility of employers and employees. Mandatory joint health and safety committees have been established because we believe that whatever their differences at the bargaining table, employers and employees have a common interest in making their work place safer and thus more productive.

It is not assumed that all employers are model employers and that there are accordingly swift and strong measures that can be taken against employers when warranted. However, employers are given credit for acting responsibility in this area of common concern. It is recognized that it is the people who work in an establishment, employers and employees together, who are best able to ensure the health and safety of that establishment. Only an atmosphere of co-operation will help to ensure safer work places and less secretive management.

Bill C-293, if enacted, could well result in a hardening of attitudes that could work not for but against the speedy resolution of health and safety related problems in the work place. Instead of the co-operative resolution of work place concerns, this bill proposes resolving such matters before the Human Rights Commission quasi-judicial board with labour and management pitted against each other as adversaries. In my opinion this could only lead to more confrontation, less co-operation, less sharing of information on safety and health matters, and therefore greater secrecy and suspicion and more dangerous working environments for Canadians.

For these reasons I cannot support this bill.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I would also appreciate an opportunity to speak to Bill C-293.

[*English*]

I listened to the member from Elk Island with great interest. I was hoping that at some point he would get around to talking about the bill. Perhaps time ran out and he was not able to do that. Maybe in another incarnation at some other date he will be able to talk about the bill we are in fact debating today.

I cannot say that the bill has absolutely nothing to do with what the member talked about because there are one or two lines in the bill which come somewhat close, I suppose, to the issue referred. Again, it is only in a very general way.

This bill provides protection for people who are trying to act in the best public interest. That is what it has to do and little or nothing else. It provides for means to protect people who are employees of the public sector and who feel morally bound to protect the interests of the public.

There is always a difficulty for anyone who is a public servant. Who is the boss? The person who is a supervisor or the public, the taxpayers who are footing the bill? What happens when the two come in conflict?

• (1730)

Whose side does that employee who sees something wrong take, the side of what is good and proper or the side of the boss, when they believe in good conscience that those two sides are different from one another?

I think as a general principle all of us who represent the public interest in this House should believe in our conscience that it is not the side of the boss you take, it is the side of the public because it sent us here. That is a fundamental principle of our democratic system.

In order to provide that kind of accountability and those means, we need a bill such as this. Are there flaws in this bill? Probably. There are flaws in government bills all the time. That is not the issue. We can send this bill to committee and if we do not like it, we can defeat it there. However, I think in principle, I like it. I like some of the things it stands for.

If an employee, someone working for a Crown corporation, someone working in a government department, sees the boss bringing home the refrigerator that belongs to the office, what does he or she do? It is a question which should be of import to all of us.

As the member who proposed this bill said quite clearly earlier today, there are the general common law principles that apply, but they are clearly insufficient. Why should someone who is defending the public interest in good conscience have to then defend themselves in courts and everywhere else for having taken what was right to start with? That is the difficulty with the absence of any kind of law that protects whistleblowers, which is what we call people affected by this bill, people who denounce wrongdoing in good conscience, having the firm conviction that what they are reporting was a wrongdoing to start with.

On behalf of the Liberal caucus, last fall I put out a document entitled *Public Sector Ethics*. One part of the document refers to just that. I am the party's critic for public sector ethics. My colleague from Nepean is our critic for human rights and she, I know, has very important remarks to make with regard to this bill as well.

I quote from this document:

[*Translation*]

"Considering the government's recent problems in connection with action taken by public servants, it is imperative to implement a policy that provides effective protection for public servants who expose cases of waste, corruption and bribery. Public sector workers should be able to blow the whistle on this type of misconduct in the Public Service, without fear of retaliation".

[*English*]

If someone has a vendetta against the boss or against a colleague and he or she invents or concocts an alleged wrongdoing in order to get another person in trouble, that person should be properly chastised and reprimanded for doing so. That applies with or without such a law anyway.

What we should all want as Parliamentarians is to ensure that we have the laws to best protect the public interest. Other jurisdictions, the United States for one and possibly others, have such laws to protect the people who denounce wrongdoing.

As someone who has received—how should I put it—a number of brown envelopes in my years in public office, I know darn well that the reason those envelopes are brown and come in under my door early in the morning, or are sent overnight now in the anonymous fax mechanism which is the new brown envelope system in this country, is that people do that because they want to denounce something that is wrong.

As parliamentarians we have to verify those facts, but it is strange to note that approximately 95 times out of 100 the information that is provided to us is accurate. It is dead on. People are reporting things which they believe to be incorrect and most of the time are incorrect when they do report it.

Even without that protection now people are largely providing information that is accurate, except that without that protection you do not have to be a genius to know that many people cannot and will not report incidents of wrongdoing simply because of their own personal fear. I do not blame them for having that fear.

If you are a civil servant or a sole support parent in the Public Service or elsewhere with two or three children at home and you see wrongdoing and you know that your conscience tells you that you should report it, your conscience also tells you that you have to put bread on the table. If you do report it and get caught and lose your job, then where are you? Then where is your loyalty toward your own family?

There are sometimes conflicting interests and it is our duty to protect the public interest. That is the reason this bill should proceed and go to committee.

If the member for Elk Island or anyone else thinks that the bill has to be corrected at that point, there is ample opportunity to do so at that time, but it should go ahead, in my opinion.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to rise in support of my colleague's bill, Bill C-293, an act to amend the Canadian Human Rights Act, the Canada Labour Code and the Public Service Employment Act.

At the outset I want to say that I was amazed by the remarks of the hon. member for Elk Island, who was not even talking about this bill. This does not talk about health and safety. This talks about everything else but health and safety in terms of providing the opportunity for workers to blow the whistle if they believe that actions of their employer, whether that employer is the Government of Canada or is covered under federal jurisdiction, are wrong.

In other words, without the fear of loss of job, loss of income, loss of ability to support their family, they can say to the appropriate authorities, not over the radio, not through television and not in the newspaper, that there is something happening here that is totally unacceptable.

A number of years ago I worked with an individual by the name of Bob Norborn who was a quality assurance inspector at Fleet Aerospace. He put his job on the line because he felt that the quality of the inspections, the quality of the products going into aircraft that were being flown by Canadians as well as others, was less than what it should be. As a result of his actions, as a result of his bravery, he lost his job. He received death threats. He received harassment and eventually he had to leave his own community to find employment elsewhere.

Workers in this country need some protection and my colleague's bill provides the basis for that protection. It may not be perfect. Heaven knows every time the government brings forward legislation it never comes out the same way it started because it learns through the committee process. What we are encouraging this House to do is adopt the concept in principle and send it off to committee for further study, for fine-tuning, and then we will see whether it is acceptable in a new revised form, or the same form, to the House.

• (1740)

There are other areas that we have to keep in mind. A worker in a shipyard who is told by his employer to dump environmentally unfriendly chemicals into the water should have the ability to report that without fear of losing his job. A health care worker employed by the federal government should have the ability to say he does not think the packaging on that shipment of blood to be shipped from the hospital to a lab is safe and there is a danger to those who come in contact with it, that is, passengers in commercial buses in the winter months when blood samples going from clinics or hospitals to laboratories over hundreds if not thousands of miles are stored in the travelling compartments, not in the holds underneath, but up on the racks above the passengers. A health care worker should have the ability to report that without fear of losing his job.

The same can be said for flight attendants, for pilots who are being told to do things in a way that jeopardizes their lives and the lives of their passengers, not in a traditional health and safety issue context, but in the fact that someone has not de-iced those wings. I believe very shortly we will have a report from the Dryden inquiry that will show the systemic reasons why that crash occurred. In part it was because of the pressure on the employees to go past the fine line.

Another example, and I realize I do not have all that much time, is that late last fall after Nationair locked out its flight attendants and decided to continue to fly, questions were raised by myself and others about the safety of that airline using unqualified, quickly trained personnel to replace the experienced crews being locked out by the company.

I received an allegation from a flight attendant who found herself having to travel back on Nationair from where she was on vacation because that was the only way she could return. She observed a number of things that she felt were safety violations. She came to me and I reported those in writing to the Minister of Transport and asked him for an investigation because at the same time there was a Department of Transport inspector on that flight. There was a question as to whether he was observing the same things that she was.

The minister has since, as of February 3, got back to me and outlined his response. What I find interesting, and it relates to this whole question of whether employees need some kind of protection, is that on January 14 my leader got a letter from the president of Nationair, Mr. Robert Obadia, which says: "As you probably know by now all of Mr. Angus' allegations were found totally false by Transport Canada".

I get my answer today from the Minister of Transport and it is dated February 3. Nationair's letter is three weeks ago. It is no wonder that employees in the federal sector want some assurances because how did Nationair know what was going to be in the minister's letter?

An hon. member: Three weeks ahead of time.

Mr. Angus: Three weeks ahead of time. Another reason, Mr. Speaker, why workers whether they be federal employees under the direct jurisdiction of either the Government of Canada or the Crown corporations, or workers in the private sector who come under federal jurisdiction need some kind of protection. They need some mechanism where they can go and say: "Look, I do not like what is happening. I am scared out of my wits that someone is going to be injured or someone is going to be hurt because of the actions of my supervisor or of my company," and they need that protection.

As my colleague said in her presentation in this House, it is not an automatic assumption, it is not an automatic publicizing of the allegations, it is a process that can be used to determine if what the individual is suggesting is occurring or is about to occur is fact.

I want to say in closing that the members on the government side should take a look at some of the other elements in government policy that provide for this very thing. In transport, when someone in the industry believes a safety violation is occurring, or a violation of the regulations of the act is occurring, there is a special phone number that they can call anonymously to report it, whether it is lack of de-icing, whether it is falsification of logs, whether it is falsification of maintenance reports. Any of those kind of possible violations can be reported.

All we are asking for is to give a similar mechanism to other workers in the federal Public Service, in the federal jurisdiction.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I too am delighted to stand in the House and speak to Bill C-293, which is an act to amend the Canadian Human Rights Act, the Canadian Labour Code and the Public Service Employment Act on whistleblowing.

I, as the human rights critic for the Liberal Party, feel quite strongly about this bill. I commend the member from the New Democratic Party for bringing it forward. Its purpose is to protect employees who in good faith report or blow the whistle on the serious misconduct of their employers. In this case the employer is the federal government.

The essence of this legislation has been called for over the past number of years and Canadians from coast to coast have grown more concerned with the conflict of interest in public sector ethics as they have seen a dramatic rise in the allegations of misconduct. Public sector misconduct is directly related to public cynicism toward politics, the employees of the federal government and the politicians who are elected to this House of Commons.

Canadians have demanded better public policy to thwart incidences of abuse of public trust. Whistleblowing is but a small part of a much needed complete overhaul of legislation dealing with public sector ethics, but it is a very important step. As an example, in the United States there has been growing support for the protection of employees who act in the public interest by disclosing conduct by their employers that constitutes a breach of law or regulations.

Ten states within the United States of America have already initiated legislation that allows employees to whistleblow. Although all employees need whistleblowing security, the Public Service by its nature is even more susceptible to employer abuse. In the public sector, employees are working directly for those who pay their salaries, namely, the Canadian taxpayer and therefore have that much more responsibility to protect their interest to their fullest capacity.

Essentially, measures are needed to protect whistleblowers because whistleblowing can very easily become part of their jobs. Legislation such as that before us today is the starting point for bringing protection to those who know firsthand of government abuses. In protecting employees, this bill would recognize that there are times when it is in the public interest to encourage employee whistleblowing as long it is done in good faith. The Liberal opposition places public sector ethics high on the agenda. We have called for an effective policy to protect public servants who expose waste, corruption, graft and similar situations.

• (1750)

Public servants must be able to report illegal or unethical behaviour they encounter on the job without fear of reprisal. The Public Service Alliance of Canada has been calling for such protection for some time. Before the last federal election, they issued a questionnaire to all three of the major political parties. One question asked about whistleblowing. The Conservative Party responded that "adequate mechanisms are in place within the Public Service".

As the union representing for the most part non-management public servants, it is well aware not only of the misconduct that takes place, but of the retribution that can result when an employee feels compelled to report the waste or corruption or even the risk that results from that misconduct.

Following the forced back-to-work order that this government imposed on the PSAC workers last September, an abhorrent action in itself, the Public Service workers did in fact implement a whistleblowing system. Unfortunately, as it was in the interest of management for this system not to work, many public servants were afraid to use the service for fear of recrimination and reprisal. The incidents of misconduct that were reported, despite this fear, are evidence of just how necessary such a reporting system is.

As my colleague from Glengarry—Prescott—Russell mentioned, quite often we, as members of Parliament, will receive via under the door the unmarked envelope with such indications of misconduct within the Public Service. The public sector work in areas that have a direct impact on the health and safety of Canadians. They are involved in meat and food inspection, transportation inspection, airport protection and environmental concerns. They must be free of the fear of recrimination.

The Public Service Alliance of Canada, in its questionnaire to all three major political parties, asked this very question. But the number of reported cases of wrongdoing in this government over the last few years is testament to the fact that there is a dire need for stronger measures.

I would like to mention one case in particular with Health and Welfare where a certain employee raised questions on the Meme breast implant and the dangers it posed to Canadian women and he was fired from his job. As it turns out now, we all know that he was correct in that assumption.

Of course, whistleblowing protection should not be allowed to contravene the basic common law principle that an employee owes his or her employer the general duties of loyalty, good faith and, in appropriate circumstances, confidentiality.

For instance, an employee should not be able to publicly blow the whistle without first using every internal means available to bring an end to the misdeed that is being reported. It is imperative that safeguards are also maintained for the employer. Concrete evidence of wrongdoing that affects public health and safety must be evident. This sort of legislation must not be used as a means of getting back at a manager in cases of personality conflict or as a means of airing personal grievances. If managers are to do their jobs properly, they must feel secure that they will not be brought up before the Human Rights Commission if, with just cause, they reprimand an employee for his or her misdeed.

I have already said that I support this bill in principle. However, I do question one aspect of its implementation. The bill states that an employee, with reasonable grounds for believing that the employer is engaging in or is about to engage in conduct that would be illegal or contrary to public health or safety, may file a complaint with the Human Rights Commission.

When the Ontario Law Reform Commission presented its proposals for whistleblowing legislation in 1988, it called for the establishment of an office of special counsel. This counsel would be an independent office that would investigate each complaint, decide whether there was just cause to blow the whistle and, if the whistle was blown, would protect the employee.

The Human Rights Commission should most certainly protect victims of discrimination due to whistleblowing. However, misconduct should not be reported to them but to a body formed expressly for that purpose.

It is not just the employees of the federal public sector who need to be protected. Also in the case of the federal body, we do not have an ombudsman where any person may go and try to correct a wrong. This is a very badly needed area within our federal system. I for one would certainly support an omnibus bill that would give anyone within the Canadian public the right to question what is happening in the Parliament of Canada.

I appreciate the opportunity of speaking on this bill in the House of Commons.

The Acting Speaker (Mr. DeBlois): There being no further members rising for debate, the time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

[*Translation*]

SITTING SUSPENDED

The Acting Speaker (Mr. DeBlois): I therefore suspend the sitting of the House until six o'clock, at which time we will proceed with the adjournment debate.

At 5.56 p.m. the sitting of the House was suspended.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SITTING RESUMED

The House resumed at 6 p.m.

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

GOODS AND SERVICES TAX

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise tonight to deal with a subject that is certainly dear to some people's hearts, but I have to say it is not dear to the hearts of very many Canadians. What I refer to is the general suffering from our goods and services tax.

In this country today we have the world's most complicated tax system. This is passing strange when we recall that this government said that tax reform is essential to the well-being of the nation; tax reform, not tax penury.

We have heard from this government that harmonization with the provinces is essential to provide a fair tax. When he was referring to a GST for Canadians, the then Minister of Finance also said that harmonization would be the order of the day. However, we see that the gap between what was said and what was done is very large and this gap is very noticeable to very many Canadians because many of them are falling into this gap.

A few examples from the long rolls of misery caused by the GST are a two-tiered tax system, expensive to collect, nearly impossible to amend; a made-in-Canada recession, complete with an intractable economic malaise; the deindustrialization of our most prosperous province and regional development a joke and an empty shell.

Small business has it right; small business has referred to the GST as a national tax tragedy. Compelling words from that sector which was supposed to benefit the most from the new era of tax harmony. The Canadian Federation of Independent Business survey estimates that compliance costs are in the neighbourhood of $10 billion. In general that $10 billion comes out of the pockets of the small business person, the man or the woman who runs a store, sells a product, the person trying to make a decent living in tough times, the person trying to make any living in tough times.

Big business did not have to pay for the system from which it has richly profited, and big business did not have to go out and assume the burden of the accounting costs or the other compliance fees; it already had the resources to do that. Did the government ever think of the corner store owner who used to do his or her own accounting until this bureaucratic behemoth was dropped into his or her lap.

Did the government ever think of someone in the service industry or the tourism industry or the transportation industry? Did the government think about cab drivers? I am sure that every member of this House at one time or another has to take taxies, and I can tell you and any of the government members opposite that if you want to know what the average Canadian thinks about this pernicious tax, come and take any taxi in the great city of Halifax. Let them know that you are a member from the government side and you will hear in words succinct and clear what the people of Halifax and Nova Scotia think about the GST. You will hear what they think you should do with it and you will hear why this government is held in such disrepute by ordinary Canadians trying to make a living, trying to survive, while their government appears to them to be systematically out to frustrate and defeat all their efforts.

Mr. Speaker, it is a shame and a scandal and the government has ,to act to make life a little simpler for ordinary Canadians.

Mr. Bill Domm (Parliamentary Secretary to Minister for Science): Mr. Speaker, I am sure that the former speaker's constituents and the people in Nova Scotia will be happy to learn that the replacement of the manufacturers' sales tax—which this government did—was at the urging of all three political parties in all the committees which sat prior to the implementation of the GST.

She could spend her time to much more constructive advantage if she spent a little time talking to other Conservatives, Liberals and NDPs in the provincial legislatures. She could talk to our Conservative premier in the province of Nova Scotia and perhaps urge him to meld the tax with the federal tax. If she is really sincerely interested in saving taxpayers a lot of money she should do more to get the two taxes melded and therefore save 50 per cent.

She has already been advised by the minister responsible for the GST that the figures given by the Canadian Federation of Independent Business are a sham. I would refer the hon. member to *Hansard* of November 6 in which he makes those points, but I do not have enough time to repeat them.

Having said all that, it does not go unnoticed that our government now is getting letters back, as I am, from businessmen who find out that they like to get the GST back on their trucks and their cars and their phone bills and their heat and their rent and all of the things that they got no refund on when they paid the old manufacturers' sales tax.

There is a positive feeling out there despite the views of the member from Nova Scotia. There are positive views out there of the advantages of the refunds on the GST to businesses, and there are advantages out there to the tax credits given to those less fortunate and unable to pay the GST. I know senior citizens who pay no GST because their tax credit exceeds their purchases.

I think that she deserves to give this House more respect and spend more time lobbying the provinces and have the taxes melded to save 50 per cent of the GST.

• (1810)

UNEMPLOYMENT INSURANCE

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my concern is with regard to the premiums under the Unemployment Insurance Act which small business people must pay as well as employees.

On October 29, 1990, the then Minister of Finance stated: "If there is any shortfall, this will be made up by the government". He promised that the government would finance the deficit until the end of 1992 without raising the premiums. By 1993, it is supposed to be self-financing from the contributions paid by employers and employees.

That particular undertaking by the former Minister of Finance, who is presently the Minister for International Trade, has not been adhered to. The fact is that this undertaking by the government opposite has been broken time and time and time again. We are now in the midst of a major economic recession which has hit every community throughout this country. It is demonstrable in every region of the country. The economy is in a terrible recession, and what happened on January 1, 1992? The government across the way increased premiums for business people, employers and employees by some 14 per cent.

This may not appear to be a lot, but we are in the midst of a deep, biting recession today in Canada. There are increased costs for employers, and I make special reference to small businesses in this country. In my own constituency I think of all of those businesses in the service sector, the professions and anyone who has a job. Many of them do not have a job. The employees must also contribute substantially in this time of recession, thereby taking much needed money away from consumers, out of the economy, depriving Canadians and business from flourishing.

I hope the minister or the parliamentary secretary responding for the minister will give serious consideration to my request to have this particular measure revoked. It adds nothing to consumer confidence in this country. It adds nothing in terms of exacerbating the successes, if any, of small business in this particular recession. The government has adopted a very very negative measure with this increase in the premiums for unemployment insurance.

The Government of Canada has broken its commitment to the people of Canada time and time again. In the last number of years the unemployment insurance premiums have risen not by 14 per cent, but by 24 per cent. I ask the parliamentary secretary responding on behalf of the minister to give serious reflection, and in view of the present state of the economy, remove this increase for unemployment insurance premiums so that Canadians will have greater confidence and more cash in their hands. This would stimulate a very very weak economy.

Adjournment Debate

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member has asked whether the government intends to increase the premium rate for unemployment insurance.

I have said in the past, and I shall repeat now, that the Unemployment Insurance Act specifies a process for determining the appropriate premium rate. That process requires the Canadian Employment and Immigration Commission to review the status of the UI Act and make a recommendation. The government will make its decision on the basis of the commission's report, the current economic climate, the fiscal situation and the financial integrity of the account. In short, the government makes a responsible decision based on all the relevant considerations once the review process is completed. The government refuses to look at the opposition's recommendation to make hasty or ill-informed decisions.

As the government stated in its last budget, the UI program is one of the most important elements of Canada's social safety net. It recognizes that the account must be maintained in a healthy condition. This means the rates will eventually have to be adjusted in a manner to ensure the fiscal integrity of the account.

HOUSING

Hon. Alan Redway (Don Valley East): Mr. Speaker, do you remember just how you felt when you signed the offer to purchase on your home? Well, I do. I felt happy, excited, thrilled, but most of all I felt scared, darned scared because I really did not know if I was going to be able to afford to pay for that home. You and I are not alone and were not alone in feeling that way because most Canadians feel scared when they buy their home. They feel scared as to whether or not they are going to be able to purchase it or whether they will be able to finance it or find a mortgage for it.

That makes sense because in fact one third of all homeowners in this country could not have arranged a mortgage for their home if it had not been for something called mortgage insurance. One third of all of the homes in Canada were built with the help of mortgage insurance. The only mortgage insurance available right across this country was provided by the federal government under the National Housing Act through the federal government's housing agency, CMHC.

Now, according to the cabinet's constitutional proposals, the federal government is going to get right out of housing altogether and hand it over exclusively to the provinces and the territories. If they do that, who is going to provide for the mortgage insurance which helped to build one third of all the homes in Canada? Certainly not the private sector. They will provide mortgage insurance in Toronto but they will not provide mortgage insurance in Calgary or Edmonton. Perhaps the provinces and territories will provide it. Perhaps we are going to have 10 provincial mortgage insurance funds and two territorial mortgage insurance funds instead of the one national fund that we have now. Perhaps, but do not count on it.

Who is going to provide for the home repair program that we have now for low income senior citizens? It is a program that is provided right across our country by the federal government. Who is going to provide for the urban and off-reserve remote housing for native Canadians that is presently provided right across Canada by the federal government through their housing agency, CMHC?

Who is going to maintain the 640,000 homes for low income seniors, for the working poor families, for disabled Canadians that form an essential part of our national social safety net?

If the federal government intends to get right out of housing and give it to the provinces exclusively, does it also intend to provide the provinces with more funding or with further taxing powers in order to enable the provinces to maintain the present national housing programs? If it does not provide more money and taxing powers, is it likely that the provinces are going to accept that housing responsibility?

Well, it is time to start talking about the facts. Mr. Minister, let us stop kidding the troops.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Mr. Speaker, the federal government does not intend to promote, and I do mean promote, any reduction in support for housing in Canada, but rather to recognize exclusive provincial jurisdiction in the housing field.

The proposal that the government put forward would retain federal responsibility for aboriginal people and for research and development.

[*English*]

In any case, it must be underlined that these are proposals that were put forward for discussion by Canadians. There has been opportunity for considerable public debate before the parliamentary committee and in the constitutional conferences. We hope that advice will emerge from the committee.

• (1820)

Depending on the views of Canadians, the government intends to discuss this matter with the provinces, including financial arrangements which may be necessary to enable provinces to carry out this responsibility. It would be premature to speculate on the outcome of discussions at this time.

HIBERNIA

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, my concern is with the Hibernia project. I notice the latest development today is that Gulf Canada is pulling out of the Hibernia project. I suspect that is going to cause some concerns to the government and to all Canadians, perhaps.

The positive offshoot might be that there might be more Canadian content in the project.

It was suggested to me that 50 per cent to 60 per cent of the equipment and materials and products would be of Canadian content. The minister told me personally it would probably be in the vicinity of 60 per cent to 75 per cent.

My concern would be whether the percentage of Canadian content is skewed by the labour component which we certainly endorse and accept. We want people from Newfoundland to go to work. We appreciate that.

To test the waters, I went to St. John's to find out exactly why Algoma Steel lost a steel plate contract to a firm in Belgium when we feel that we are most definitely competitive in this product line. Our bid was so dramatically higher than that of the Belgian firm that we thought it had to be a case of dumping. We still believe that to be true.

Nevertheless, I was quite impressed with the people I met in St. John's, the government relations individual, the legal counsel, the project manager of contracts and the business manager. I met with all of them. I was very impressed and I think they are doing their level best.

At this time it is out of government control. It is at arm's length with deciding who shall get these contracts.

Without being too parochial I had concerns at first that only Algoma was concerned. But I have since had calls from other manufacturers, manufacturers that have spent as much as $100,000 and did not even get on the pre-qualifying bidding for the project. That has to concern everybody in Canada, but especially Canadian manufacturers who anticipated they would get some good solid contracts. Anyone who has spoken to me has suggested any other country would make darn sure that it would be extremely well represented and would gather the expertise so that it could export that expertise later on for other megaprojects across the world.

We believe that Canada has not been afforded that opportunity and many Canadian firms have been shut out simply because they could not gear up. They could not meet the very severe specifications of the project, which again we accept because they have to be very severe and stringent because of the safety concerns on the project.

Did this Belgian company buy or did it dump product into this country? Did it buy this initial contract so that it could qualify for all other steel contracts? The officials told me that they would rather deal with just one company than with all companies.

Algoma has suggested to ISTC, Industry, Science and Technology, that it should initiate a dumping investigation. That investigation I was told would take a week. Here we are a couple of months later. The investigation is not complete. I am not sure who is investigating.

Steel producers tell me they are in this together. They are concerned and they are saying Canada must be more involved, more representative of the firms that are losing these contracts. There is great concern out there and steel producers are in no financial position right now to proceed with these dumping charges. It is time consuming. It is very costly and they are asking the government for help. They need the help. The government must step in because they are just too cash strapped.

We are suggesting that the government has been too passive in this and we remain concerned about the Canadian content which is a target, not a regulation of the project.

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I would like to take this opportunity to respond to the concerns that have been raised by the hon. member about Canadians not receiving sufficient benefits on the Hibernia project.

Like all Canadians, I am disappointed when Canadian companies are not successful in winning Hibernia contracts, but members should also be aware that literally dozens of Canadian companies have won contracts to supply Hibernia projects. Of the over $400 million in expenditures of the projects to date, over 70 per cent have been Canadian goods and services. This is in excess of the 55 per cent to 60 per cent of Canadian content targeted by the project set out by the Hibernia agreement.

Members also should be aware that local content for the first oil and gas development project in the North Sea was only at 25 per cent to 40 per cent. By international standards, Canadian companies are therefore doing better than their Norwegian or British counterparts in similar points of development of the offshore development.

The Hibernia project is providing substantial employment benefits to Canadians. At the end of December, something in the order of 2,400 people are directly employed on the project. Eighty-three percent of these are Canadians. Over 600 were employed in Montreal designing the top side for the project and an additional 1,100 were working the bow arm in the Newfoundland building, the construction site of the Hibernia platform. Another 416 are employed in St. John's managing the project.

While many Canadians are benefiting from the Hibernia project, I am aware that some industries have been disappointed that they were unable to make major Hibernia contracts. The steel industry is one. I can tell the member that the government and the Canadian Newfoundland Offshore Petroleum Board are aware of the industry's concerns and we are working with the industry to ensure that its contracts are addressed at the time and moment. For example, Canadian steel producers are very much in the running for a contract to supply 70 tonnes of reinforcing steel for the project.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m, pursuant to Standing Order 24(1).

The House adjourned at 6.23 p.m.

HOUSE OF COMMONS

Wednesday, February 5, 1992

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

PENSIONS

Miss Deborah Grey (Beaver River): Mr. Speaker, I rise today on behalf of my constituents in Beaver River and all Canadians to demand that the Conservative government immediately rescind the disgraceful scheme that gives members of Parliament and senators access to the most generous pension plan in the country.

From the outset the Reform Party has opposed this excessive plan that allows any member, no matter the age, to receive at least $23,390 a year after just six years in this Chamber. No Canadian citizen, no private sector worker, receives anywhere near the equivalent pension benefit. This must be stopped.

The Conservatives have failed to bring the deficit under control. The government must find the courage to reduce spending, starting with cuts to our own pensions. This is an outrage to ordinary Canadians whose tax bill has increased year after year under the Conservatives.

I realize, Mr. Speaker, that the government has a vested interest in maintaining these pensions because many of its members may be replaced, in fact by Reformers in the next election. Nonetheless this offensive pension scheme must be stopped and stopped now.

SRI LANKA

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, today I want to again address an urgent issue, the plight of the Tamil people.

For 13 years the Tamils have been suffering at the hands of the Sri Lankan government. The time has come for their torment to stop. Canada must help put an end to the human rights abuses of the Tamil people.

Economic blockades that have lasted for 19 months must also end. Medical supplies are not getting through to the people who desperately need them. This is an urgent issue and Canada must take a leadership role in ensuring the peace, safety and respect of human rights for the Tamil people.

* * *

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, supply management is one of the main pillars of Canadian agriculture. Our 20–year old milk quota system has been the most important factor in maintaining the family farm.

For the first time farmers could look forward to enjoying a stable income from work that kept them busy seven days a week.

As a result, it became more attractive for young people to take over the family farm. The system is a sensible one, based on the spirit of co–operation and mutual benefit that is so important to farm communities across the country.

Today this spirit of co–operation is threatened by the appalling negligence and complacence of a government that failed to stand firm at the GATT talks, and thus abused the trust of our farmers.

S. O. 31

EASTERN TOWNSHIPS

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, I am sure that you, as a history buff, would be interested to know that in a day or two we will be celebrating an important 200th anniversary in the history of my riding and my region.

It was on February 7, 1792 that Sir Alured Clarke, Lieutenant Governor of Lower Canada, launched his now famous proclamation on behalf of the King of England, addressed to all those wishing to settle on Crown lands in the Province of Lower Canada. This proclamation granted concessions and letters patent to thousands of Loyalist settlers from the United States.

This led to the founding of a number of townships named Brome, Sutton, Farnham, Bolton, Potton, Stanbridge, Magog, and so forth, names that still designate a number of municipalities in my riding, which together form what we call the Eastern Townships.

I want to take this opportunity to pay tribute to the descendants of those Loyalists, those pioneers who gave my part of Quebec the distinctiveness it still has today.

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GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Phillip Edmonston (Chambly): Mr. Speaker, the GATT negotiations are coming to a close. The very future of Quebec's dairy, egg and poultry industries is at stake.

GATT article XI protects our supply management system. It is now clear that the government has failed utterly in its efforts to have this clause clarified and reinforced.

Throughout the agricultural sector in Canada—not just in Quebec—uncertainty will replace price stability. In other words, the pillars of our agricultural policy are threatened.

After the free trade disaster and the GST, Quebec and Ontario farmers are about to become the next victims of this government's destructive policies.

The Minister of Consumer and Corporate Affairs bet his shirt that he would stand solidly with our Canadian farmers. Mr. Speaker, we don't want his shirt. We want him to really stand up for our agricultural sector.

* * *

[*English*]

FAMILY VIOLENCE

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, family violence is a subject that appalls all caring people. It has largely been addressed up to now by dealing with the consequences rather than with the causes and the cures.

In 1985, under the leadership of Senator Muriel McQueen Fergusson, a charitable trust foundation was established in Fredericton to fund research into the causes, incidences and forms of treatment of family violence, and to promote and sponsor effective public education programs to counter widespread ignorance of the problem.

Over the past two years, working with the University of New Brunswick, the Fergusson Foundation is well advanced toward the creation of a national research centre for the study of family violence. It will be located within the Faculty of Arts at UNB. The purpose of its activities will be to increase our knowledge of the social and psychological dynamics which contribute to family violence.

This initiative leads and complements the government's plan to establish such research centres on family violence right across Canada. Hopefully the leadership of the Fergusson Foundation will be recognized by the selection of UNB as one of those national centres.

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BLACK HISTORY MONTH

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, February is Black History Month. Every year, all Canadians are invited to look into the contribution of black Canadians to the development of Canada.

[*Translation*]

Mr. Speaker, many Canadians are still unaware of the history of this community in our country. Blacks have played a very significant role in the development of the

maritimes, and they have done so for over two centuries. Too often their contribution has been overlooked.

[*English*]

Black History Month gives Canadians the opportunity to discover their neighbours. It gives all of us a chance to share in each other's history. I urge all of us to take the opportunity to acknowledge the contribution of black Canadians through participating in Black History Month activities throughout the country.

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TAXATION

Mr. Stan Wilbee (Delta): Mr. Speaker, a very unfortunate situation has been occurring all over Canada in the last week. Canadian citizens have been going to their local post offices to obtain a copy of this year's income tax form. Although the forms are there, people have been denied access to them. The justification for this inconvenience has been that because all the forms are not available in both official languages at all post offices it is against the law to give them out.

• (1410)

Even though the Delta citizens who have requested the forms only need them in English, they have to endure the inconvenience of waiting and making a return visit.

Likewise, Montrealers who have requested the forms in the French version must return again when the choice is available, possibly next week. The situation is ridiculous.

At a time when we are attempting to bring resolution to our nation's unity crisis, silly red tape such as this only compounds an already serious problem.

* * *

VETERANS AFFAIRS

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, the government in its lifetime has done its best to ruin the Canadian economy and attack the living standards of Canadian veterans and senior citizens.

It has clawed back the old age pension, increased board and lodging charges to veterans in long-term care and cut back on the Veterans Independence Program.

The government has recently asked all departments to come up with cost cutting ideas. The Minister of Finance and President of the Treasury Board have indicated that some social programs may be cut. Some Conservative MPs have openly called for the end of our universal health care system. The federal Conservatives sound like the Reform Party, which wants to cut all government departments by 15 per cent.

Even as the government develops a long-range plan for Veterans Affairs, the department is reducing staff and centralizing the war veterans allowance program in Charlottetown. Some operations of the DVA will soon be taken over by Health and Welfare Canada.

The Minister of Veterans Affairs must answer two questions: Is the government considering the amalgamation of veterans affairs operations with one or more other departments and is the government considering making the war veterans allowance, disability pension and other DVA benefits taxable? The veterans of Canada want to know.

* * *

OIL INDUSTRY

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, the Imperial Oil retrenchment announcement is certainly of concern to Sarnia—Lambton as this is the home of a major Imperial refinery.

There are, though, new petrochemical facilities that can be built by this company and others in Canada and in Sarnia—Lambton.

These facilities are very capital intensive and I submit that our government must work toward making capital write-off more attractive to attract the building of these major world scale facilities.

This change, along with the participation by the province of Ontario tax-wise, will put Sarnia—Lambton in a competitive position for these new North American builds that could bolster the economy of my constituency in a very major way.

S. O. 31

DR. ROBERTA BONDAR

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, today during development week I would like to add my sincere congratulations to Dr. Roberta Bondar to those of my colleague from Algoma.

Last week she very eloquently reminded us that we are all one family on a single planet. There are no political borders drawn on the surface of the earth. Pollution touches all of us equally. We all share the same water, air, and sunshine.

I am sure this government will not forget to honour Dr. Bondar, whether by a commemorative stamp, an Order of Canada, or some other tribute.

As well I urge all Canadians to take the opportunity to congratulate this outstanding world scientist in person when she shares her experiences on a planned speaking tour of Canada.

* * *

HOME OWNERSHIP

Hon. Alan Redway (Don Valley East): Mr. Speaker, 5 per cent down payments for first-time home buyers announced by the government on Monday will not only increase home ownership but should also generate and create thousands of jobs.

Traditionally new housing construction has led the way out of a recession and toward economic recovery. Because housing is labour intensive and has a high Canadian content, it also has large spin-off effects including increased demand for lumber, building materials, engineering, roads, sewers, furniture, appliances and transportation.

Each new housing start generates 2.04 person-years of employment. CMHC estimates that 5 per cent down payments will allow up to 200,000 Canadian households to buy a home.

Five per cent down payments will not get us entirely out of the recession all by itself but it will most certainly help.

SUPPLY MANAGEMENT

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, the response from the Minister of Agriculture to one of his own caucus members last Monday when he asked for a strengthening of article XI in GATT seemed less than enthusiastic.

If our negotiators at GATT sign away the farmer's right to continue to operate under effective supply management, these farmers will consider their contract with this government to have been broken with severe consequences.

Canadian dairy farmers will be demanding the same level of subsidy that United States dairy farmers receive at a cost of $550 million to Canadians. The approximately $410 million owed by our dairy farmers to the Farm Credit Corporation will be in jeopardy.

Moving away from the supply management system to tariffication would be a very expensive decision. Destroying the livelihood of 36,000 dairy farmers and 2,300 poultry farmers in Canada is something which would have a severe negative impact on all Canadians.

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[*Translation*]

THE ENVIRONMENT

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, for several days the media have again been reporting on the ozone layer over the Arctic and northern Quebec.

The Liberals opposite hardly cared about that situation in the 1980s. It was only under the Conservative government that the first environmental treaty, the Montreal Protocol, was signed in 1987.

Canada is now four years ahead of the timetable it set for reducing ozone depleting substances and these have indeed been cut by 45 per cent since 1986.

Mr. Speaker, this performance proves that the Conservative government is maintaining its leading role in this struggle and I know that the Hon. Jean Charest, our Minister of the Environment and the member from Sherbrooke, is sensitive to the problem of northern Quebec.

ORAL QUESTION PERIOD

[*Translation*]

THE ECONOMY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of Finance.

There is an economic crisis throughout the country, but the government is paralyzed. Petro-Canada and Esso are laying off thousands of people; Pascal has closed down; Sears reported losses for the first time in its history; 5,200 companies went bankrupt in Quebec in 1991. The GST is a disaster for the Canadian economy, but the Minister of Finance continues to talk about positive signs in the economy.

When will the government recognize that there is a deep economic crisis which requires emergency measures right away?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as I have indicated to the House and to the hon. member before, we have a sluggish recovery under way primarily because of the world situation.

The United States economy how slowed dramatically. The economies of all the industrialized nations of the world have slowed dramatically. Canada is an exporting nation and relies on exports for 25 per cent of its economic activity. Three million jobs are directly related to exports. As the economy of the world recovers, so will the Canadian economy recover.

In the meantime, we will be taking every step possible to expedite that process. Essentially what we have done is put the fundamentals in place, that is bringing down interest rates, keeping them down and bringing down inflationary pressures to reduce the cost of doing business, which will make Canada more competitive and provide long-term growth and future prosperity.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister of Finance should talk to people who have lost their jobs in gas stations across this country. He should talk to people in pulp mills who are no longer working. He should talk to the farmers who are hanging by their fingernails awaiting the results of the GATT negotiations. He should walk through any shopping mall in this country and see stores boarded up.

Does the minister understand that if he wants to meet his fiscal target, he has to take immediate constructive action to put Canadians back to work? He has to admit that his government policy on the GST has been one of the nails in the coffin of the Canadian economy.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am not sure whether we are getting another policy version on the GST from the Liberal Party or not.

If one were to check with the Manufacturers' Association, one would find that one of the promising features that is on the horizon is the benefits of the GST. Without the GST, the manufacturing sector's competitive position would be further deteriorated. The hon. member should recognize that. She should be encouraging her provincial colleagues to harmonize with the GST so we could have a harmonized GST right across the country in order that the benefits could accrue to all manufacturing sectors right across the country.

• (1420)

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in my province alone, if this government does not do something, there will be no manufacturing left. Thirty per cent of the manufacturing capacity of Ontario has disappeared as a result of this government's policies.

Will the minister at the very least admit that his GST has contributed to the recession we are facing across this country, and will he modify his GST policy?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member should be fair when she throws around those false allegations. If she were to look at the reality of things—

Ms. Copps: Talk to the GM workers.

Mr. Mazankowski: Well, exactly. General Motors Corporation is laying off 75,000 people, not because of the GST. The IBM Corporation is laying off thousands of people, not because of the Canadian GST. This is a restructuring problem that has to take place. That is what is creating a more severe problem in terms of recovery. It is not only occurring in North America. It is

occurring around the world. The hon. member should recognize that.

Mr. Joe Fontana (London East): Mr. Speaker, my question is to the Minister of Finance. A national public works program as proposed by the Liberals will not increase the deficit. It is not an artificial make work scheme. It is a cost shared program that will create 100,000 badly needed jobs.

If this government does not invest in the competitive infrastructure, we will be spending more money in the long term for repairs and upgrading.

I want the Minister of Finance to explain to Canadians how improving competitiveness, creating 100,000 jobs and increasing government revenues will increase the deficit.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member is again consistent with Liberal past policies, expecting us to spend our way out of this recession. That is a valid position to take, but I disagree with the hon. member. So do a few other people.

For example, I was attracted to the statement by Mr. Jim McCambly, president of the Canadian Federation of Labour. In the latest edition of *Maclean's*, Mr. McCambly is quoted as saying that while the economy shows few signs of recovery, Ottawa and the provinces should resist the temptation to inject billions of dollars into massive new public works programs that would spur construction activity and create jobs for unemployed workers.

I quote: "It is not easy to say these things when a lot of my own members are unemployed. But we cannot look at quick fixes. We have to look at the long term for the sake of our kids". He went on to say: "There are no free lunches. We all have to pay our own way".

Mr. Joe Fontana (London East): Mr. Speaker, this government cannot deny that a public works program will create jobs. It cannot deny that the proposal has been supported by every provincial and municipal government across this country. It cannot deny that public sector investment will leverage private sector investment.

Therefore, I ask the Minister of Finance when he will stop playing politics with this issue and introduce this program.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am not playing politics with this issue, the hon. member is. When he says that all provincial governments are in favour of a massive public works program, that is absolutely false.

As a matter of fact the NDP premiers, especially the two from western Canada, are of the same view, that you cannot spend your way out of this recession.

I ask the hon. member if he is really serious. He is talking about billions of dollars. I ask him if he is giving me advice to drive the deficit up further still or is he asking for more taxes. If he is asking for more taxes, who does he want me to tax?

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of Finance. Yesterday, more than 2,000 people lost their jobs in Canada. Esso and Consolidated Bathurst announced massive layoffs. Two thousand jobless people will need $25 million in unemployment insurance.

How will the government pay for it? By raising taxes or increasing the deficit?

[*English*]

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, there is nothing more indicative of the problems that are faced in other jurisdictions, particularly in the United States, in terms of a recession than the plight of our forest products sector which is so heavily dependent on foreign markets.

In the case of Consolidated Bathurst, I understand that it is a management-union problem. I am informed that some discussions are going on. I like to be confident that a resolution can be found to that problem and the mill can keep operating.

Hon. Audrey McLaughlin (Yukon): A supplementary, Mr. Speaker, for the Minister of Finance. There is little good news for Canadians today. We see that job prospects are again down by 50 per cent for Canadians. The lack of a full employment policy on behalf of this government is costing the Canadian taxpayer $30 billion

a year in welfare payments and unemployment insurance. The cost of unemployment grows every day.

As I said in my earlier question, 2,000 more unemployed means an additional increase of $25 million in unemployment insurance.

How does the government plan to address the deficit caused by its policies that are creating unemployment? Raising taxes, increasing the deficit, or will it get people back to work?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member knows that we have a deficit that costs some $43 billion annually to service. That is the harsh reality. That takes about 35 or 36 cents out of every revenue dollar that we take in from the Canadian taxpayer.

What the hon. member is suggesting is that we continue to add to that burden of debt. That is not the position of this government. The position of this government is to ratchet down the deficit and start paying down the debt so it will not be left as simply a responsibility to be shouldered on the backs of future generations.

Hon. Audrey McLaughlin (Yukon): I have a supplementary for the minister, Mr. Speaker. It is the current generation of young people and children, where poverty is increasing, who are paying the deficit now. What they need is help now.

I say to the minister that here is the deficit of Canada. Here is a list of the over 400,000 jobs that have been lost across Canada in the last year and a half. This is the deficit to Canada. This is the result of this government's policies.

Will the Minister of Finance be prepared to bring in a full employment budget in February and give some hope to Canadians that they need now?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, just so I can be absolutely clear and follow the hon. leader's logic, is she suggesting that 36 cents of the revenue dollar that we collect is not enough to go to pay the interest on the debt? Does she want to increase it to 40 cents or 50 cents? Is that what she wants?

I will tell you what she will have. She will have the IMF knocking on our door.

Some hon. members: Oh, oh.

Mr. Mazankowski: This country will not only lose its economic viability; it will lose its sovereignty. That is something that this government is fighting and we will continue to fight it.

* * *

HIBERNIA

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. The prolonged high Canadian dollar and high interest rates, 33 new federal taxes since 1984, including the GST, have contributed in major ways to the recession that Canadians are suffering from coast to coast. The recession has hit particularly hard our natural resources sections, including oil and gas.

Will the minister give us his assurance today that the Hibernia project will proceed on schedule?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I remind the hon. member that when the government came into power, what the oil and gas sector wanted more than anything else was the removal of the national energy plan. That was universal throughout the system. This government has changed the national energy plan. That has been happening. In respect of the Hibernia project, the government, as I stated yesterday in the House and in other venues, as well as the report of the other three members of the consortium, is committed to the continuation of Hibernia. The consortium has the responsibility of restructuring and I look forward to an early meeting with them.

• (1430)

I want the project to go forward and I believe everyone else does as well. I appreciate that members opposite have the same purpose.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my question is for the same minister, the Minister of Energy, Mines and Resources.

I found some comfort in his words and I am sure a lot of people did, but there is, I can assure you from my experience last night, a lot of concern and scepticism about the future of this project for reasons that I am sure the minister would understand.

It is my understanding that the company that pulled out, Gulf Canada, still has a financial commitment to the project and, as I understand it, will continue to have that commitment for another eight months to the tune of around $100 million in rough estimates.

Since this project is so critical to the economy of Newfoundland and, indeed, in times of recession to the economy of the country, I ask the minister to tell me what contingency plans the government has beyond the eight-month time frame to ensure the success and the continuation of this critical megaproject.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I want to take every opportunity to assure the hon. member, members opposite and particularly the citizens of Newfoundland and Labrador that the government is committed for the project to continue.

The provision that the hon. member mentioned was a provision whereby at the time of negotiation of Hibernia, there was a company that wanted to have the ability to withdraw from the project at any time without any penalty. We insisted that there be a penalty. That issue is the 243 days that was triggered as of yesterday.

There are now two things in the contract. First, the consortium has to restructure and then come to us with its plan. Obviously we cannot wait very long because of the indecision. I say to the hon. member that I am willing to go to St. John's. I have mentioned that to the Government of Newfoundland and I say it to the House today. We can remove some of that indecision. I appreciate it is a difficult situation.

Second, as I have said to the hon. member, if some of his colleagues want to have a further briefing today, I stand ready to do that as well.

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STONE CONSOLIDATED PULP AND PAPER MILL

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, my question is for the Prime Minister. I know the Prime Minister understands one industry communities from personal experience.

The announced closure of the Stone Consolidated Pulp and Paper Mill at Bathurst will result in the loss of as many as 1,500 jobs in an area that has been badly hit by the recession and by lengthy strikes. For more than 70 years that pulp mill has offered stable jobs and has strengthened the economy of the region.

What is the Prime Minister prepared to suggest to the workers and the people of Bathurst today as to help they can expect from this government during this time of crisis?

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, I said in my earlier response that the closure was brought about by some difficulties between management and the union. It is not an area where we would have any reason to intervene. I am told that discussions are ongoing. The premier of New Brunswick is prepared to offer the companies some concessions that would bridge some of the difficulties.

I would hope that the hon. member would join with me in being hopeful that the problem can be resolved in an amicable fashion.

[*Translation*]

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, I have a supplementary for the Minister of Employment and Immigration who also knows how important a major industry can be for a region's economic and social well-being. First of all, Bathurst, like Edmonston, has been a pulp and paper town for a long time. What kind of programs does the government intend to put in place to help plant workers, loggers, truckers and owners of logging equipment who are directly affected by the closing of Stone Consolidated Bathurst? People need a glimmer of hope. When can they expect some details on adjustment programs?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I share the hon. member's concern for people in the Bathurst area who are faced with the decision made by the company. I had a meeting with Premier McKenna two weeks ago, and we discussed the situation in Bathurst again the other day. We agreed to make sure that the adjustment programs we have for helping workers in this kind of situation truly reflect the needs of the region. We agreed to continue to co-ordinate our efforts in this respect, but we still hope that the company and the union will be able to find a solution that will allow Consolidated Bathurst to continue its operations.

[*English*]

AGRICULTURE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is for the Minister of Agriculture. Prairie Canadians watched our government go to the GATT talks on agriculture subsidies understanding that regional development programs like the Crow rate system were exempt from definition as a subsidy. That assurance is still in the main body of the GATT proposal. However, I note that an annex, 7-E, has been added to the Dunkel proposal which may make the Crow subject to subsidy reduction commitments.

What, if anything, has the Government of Canada done to remove that sentence from the annex and leave our Crow rate subsidy as an exempt regional development program?

Hon. Bill McKnight (Minister of Agriculture): I am very pleased that the hon. member now is aware of what is in the Dunkel text. Some of his colleagues in the province of Saskatchewan have not made the effort to read what is in the Dunkel text.

Canada has suggested that regional development, when we argue for regional development, should be exempt in the GATT talks. We have continued that discussion since the Dunkel text came out. I think the hon. member understands that when it is written into a text, and the definition of export subsidies is defined in a text, the Canadian people, particularly the farmers in western Canada who would be impacted, should have that information.

Mr. Vic Althouse (Mackenzie): Yes, I agree they should indeed. My text, like the ones I presume Saskatchewan got, did not have the annex. We have it now.

Some groups close to the government party in the west are urging the issuing of a bond or annuity to buy out the Crow policy which at 8 per cent would have a present value of more than $9 billion. Will the minister tell us if this is in fact the government's intention and, if so, where it will get the funds?

Hon. Bill McKnight (Minister of Agriculture): As the hon. member is aware, when agriculture ministers met in Kananaskis last July, a decision was made to have a series of talks called transportation talks throughout the Canadian Wheat Board and, indeed, throughout Canada to discuss how the money that the people of Canada, through the taxpayers of Canada, some $720 million, was being used in agriculture. Was it the best way to use it, as a *status quo*, in paying the railroads, or were some of the other options that had been debated an alternative that producers should talk about?

One member says no, and I understand why. I can understand that there are other things that people are not discussing. That includes pooling, MCRs, and further activity in enhancing our system of handling in the west. The talks are ongoing.

The member asks a question that is based on something that may not happen, that may not be a route that would be taken by the government or the producers particularly. I think it is inappropriate to attempt to answer it.

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GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Prime Minister.

Dairy and poultry farmers face the destruction of their farms, their homes, their livelihood, unless the government is willing to fight to maintain and strengthen article XI in the GATT negotiations going on this month.

Is the Prime Minister prepared to meet with the heads of Japan and the other five countries that support Canada's position to maintain and strengthen article XI so as to issue a joint declaration calling on the GATT negotiators to maintain a strengthened article XI in the new GATT agreement.

Is the Prime Minister willing to meet with those people and prepare such a declaration?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have already met with Jacques Delors, the President of the European commission. I have had lengthy meetings with President Mitterrand and President Bush, and I had lengthy conversations just before Christmas with Ruud Lubbers, the Prime Minister of Holland who is also Chairman of the European commission. In the course of these very lengthy conversations we set forward again the importance of article XI to Canadian producers and, indeed, the importance of these producers to the social fibre of Canada, how they have evolved as part of our country and the importance

of this to all Canadians, in Ontario, across the country, in Quebec and elsewhere.

• (1440)

We have made the case very vigorously and very strongly. I have made it personally time and time again. I look forward to meeting with the producers. I look forward to meeting with other European and world leaders precisely on this point, to hammer home again the vital importance of this to our producers and our producers to us as a country.

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a supplementary question.

Since the Dunkel report has come out, Canadian dairy and poultry producers are extremely concerned that they are going to lose this vital industry that provides nearly 100,000 jobs.

I am asking the Prime Minister if between now and the end of this month he would be willing to meet with President Bush and President Delors again to seek their support so that this vital industry, employing nearly 100,000 people, can be maintained and that the Canadian dairy farms and poultry farms may be maintained as well. Is the Prime Minister willing to meet with them?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would be happy to meet with whomever and to go anywhere to advance the cause of these agricultural producers.

I spoke to President Bush on Saturday in regard to this and to other matters. I have constant meetings and ongoing conversations in following up initiatives taken up by the Minister of State for Agriculture.

I expect to be meeting soon with agricultural producers in this area, pursuant to which we will no doubt have other meetings to advance the cause of our dossier in the international GATT negotiations.

I have met with everybody from Art Dunkel to President Bush, to President Mitterrand and to the president of the European commission. We had a meeting with Jacques Delors that lasted in excess of three hours precisely on this point. We made the case, chapter and verse, about its importance not only to the nation but to each individual producer. We are going to make it again.

EMPLOYMENT EQUITY

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is for the Minister of Employment and Immigration.

As the minister is aware, the Conference of Women in Trades, Technology and Operations is winding up today in Ottawa. Its proposal to create a national data bank allowing women in non-traditional occupations to network with employers has been on the minister's desk for over a year now.

Will the minister agree to meet with representatives of this organization today to explain why his government is backing away from its commitment?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, on my way to the House today I received the representation of the national co-ordinator.

As the member knows, we are reviewing the request for funds from the women in trades and technology group. No decision has yet been taken on the request, but I should be able to render a decision soon.

Mr. John Nunziata (York South—Weston): Mr. Speaker, my supplementary question is for the same minister.

If the minister is truly committed to employment equity with regard to women, and if his government is truly committed to putting some of the 1.5 million unemployed Canadians back to work, can he explain why this worth-while proposal has been sitting on his desk for over a year?

If he is truly committed to employment equity, I ask him: Will he meet with representatives of the organization today and follow through on his commitment to fund this worth-while project?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, it seems necessary to have the member acknowledge that there are 900,000 more women working today in Canada than there were in September 1984. That is quite an accomplishment.

The hon. member is discussing one particular case, a group seeking funds. I have indicated that we are reviewing the request for funds and I should be able to make a decision soon.

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Prime Minister and concerns the latest events at the GATT talks. Considering the serious concerns of farmers about the agricultural proposals, can the Prime Minister give us the assurance that Canada will continue to defend the same position at GATT, against GATT director Arthur Dunkel?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, indeed our position has not changed and will not change. We are still asking that the multilateral trade negotiations clarify and strengthen article XI of the GATT.

On this issue, all hon. members are well aware of some comments made by certain individuals from Quebec who, for partisan, petty and dishonest reasons, try to misrepresent the position of the Canadian Parliament and government. Those people would like to play politics to the farmers' detriment.

The fact is that we met with Jacques Delors for hours to put forward the Quebec producers' case. I met with President Mitterrand and the Dutch Prime Minister, Mr. Lubbers, to emphasize, on behalf of all members of this House, the importance of this issue for our Canadian and Quebec producers and to say that the current Canadian policies do not constitute trade distorting subsidies that lead to unfair competition. I stressed that those policies made good sense nationally and internationally and added that our producers needed those policies to be vigorously defended. That is precisely what I have done, as Prime Minister of Canada, and it is also what all members of this House, except a few, have always done.

[*English*]

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I want to say to the Prime Minister that he has not convinced Canada's dairy farmers. At meetings throughout the country dairy farmers have been warned that the government is about to abandon marketing boards.

The gloves are off. From B.C., from Ontario and from Quebec, thousands of farmers are preparing to storm Parliament Hill unless they get an unconditional commitment from this government and this Prime Minister.

I want to ask the Prime Minister on behalf of Canada's farming community: Will he give his unconditional and unequivocal commitment to retain Canada's marketing boards and to stop any plans for tariffication?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I had the pleasure and the fight of putting questions of agriculture and trade distorting subsidies at the G-7 summit in Tokyo in 1986. We have fought the cause of the farmers of Canada, and indeed the consumers of Canada, now for some six or seven years.

In the process of doing that, we have over a period of seven years increased our Canadian assistance to farmers by 650 per cent.

Mr. Lapierre: Where?

Mr. Mulroney: My friend asks: "Where?" Everywhere including Quebec, I want to tell my hon. friend. This government has been fair and extremely supportive of farmers.

With regard to the problems that have developed in respect of article XI, we have maintained a very vigorous defence of these proposals and we will continue to do so. We are one of 108 countries that are signatories of the GATT. Our share of international trade is somewhat slightly in excess of 3 per cent, leaving 97 per cent in the hands of other signatories by and large of the GATT. It is a difficult challenge.

We have been unswerving in our commitment to the interests of Canadian farmers in this regard. We shall continue with the support of all members of the House, or by and large all members of the House, to defend the interests of Canadian farmers. But we need your support on this because we know there are people here who like to trivialize—they sit in the backbench over there—for their own partisan—

Mr. Speaker: The hon. member for Okanagan—Shuswap.

[*Translation*]

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, as we know, Quebec supplies 45 per cent of

Canada's milk production. Therefore this issue is very important economically and also for national unity.

[*English*]

I want to ask the Prime Minister whether at this time he is going to take his gloves off, whether he is going to get tough with the American bullies at GATT, and whether he is going to tell them enough is enough. Is he going to say to them that Canada's marketing boards are here to stay? Will he do it?

• (1450)

Right Hon. Brian Mulroney (Prime Minister): Yes, and then I am going to declare war on them.

An hon. member: You are trivializing the issue.

Mr. Mulroney: Trivializing the issue? We are trying to deal with an extremely sensitive and difficult issue. My hon. friend says I am going to go down to the United States and say: "You are going to do this". We are dealing in a multilateral context in Geneva, not in the United States. The United States supports some of our positions. Japan supports some of our positions. Europe supports some of our positions. We are trying to bring together a coalition that brings together support for article XI and the position of Canadian farmers.

I would tell my hon. friend that unless he has some recent experience, the idea of arriving at the GATT with the United States or the Europeans or the Japanese with gunboat diplomacy in international commercial relations does not work. If we had 97 per cent of the world trade and the other partners 3 per cent, perhaps it would.

We are approaching this with firmness in the honourable traditions of Canadian diplomacy and we are defending this with every amount of vigour that we possibly can. I know my hon. friend will stand in the House, acknowledge that, and say: "Yes, we will support the initiatives of the Government of Canada because they are right; they are right for the farmers and they are right for Canada".

* * *

[*Translation*]

RAIL LINE ABANDONMENT

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, my question is for the Minister of Transport.

We already know that CN and CP Rail must dispose of certain abandoned rail lines. Several non-profit organizations wish to obtain them to make into bicycle paths for the enjoyment of thousands of cyclists.

Can the minister explain the federal government's position on the disposal of CN properties between Farnham and Granby? Also, can the minister intercede with the authorities of Canadian National so that the current moratorium on the sale of these properties can be extended for a few months?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I want to thank the hon. member for Brome—Missisquoi for this question, which gives me the opportunity to tell her that I am in complete agreement with the representations made by some 60 towns, I believe, to use the CN lands as bicycle paths in her beautiful riding. I think that is a wonderful use for them.

She can count on our constant support and rest assured that we will take all the time necessary to convince the few municipalities that have not yet embarked on this project, to make sure that they all have time to do so, because it is important that this project be implemented as smoothly as possible.

* * *

[*English*]

THE ENVIRONMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Minister of the Environment.

Across Canada deadly chemicals are being released every day from old damaged and abandoned air conditioners and refrigeration units. Community leaders are on the front line of trying to stop the destruction of the ozone layer and they have asked for the government's help.

Will the minister then, knowing the seriousness of the situation, act immediately? Will he do as the environment committee recommended and bring in programs with the provinces and the municipalities so this can stop immediately?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, let me update the member. We are doing that. In fact we have been ever since we put together the Montreal protocol in 1987. It is under this government that the protocol came together. We set a time frame in the protocol. We then went faster than the time frame

that was set in the international convention for the year 2000. We were set to go for 1997.

I am here today to say to the member that we are ready to go further. We think that we can eliminate CFCs by 1995, a good part of them. We are going to push other countries within the international framework to go even further than that.

Furthermore, we are going to do it in co-operation with the Canadian Council of Ministers of the Environment and the provinces with which we have had a great deal of success in dealing with environmental issues.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, Canadians take this problem very seriously; it appears far more seriously and concrete than the minister. This is an emergency.

In 1990 the minister promised that if provincial regulation and voluntary actions did not produce results, Canada would regulate. I did not hear that word from the minister today.

Now that the minister knows this *laissez-faire* attitude is not working, will he bring in the regulations under the Environmental Protection Act now?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I think it is important that we be as precise as possible about what we are talking about here. The member refers to the fact that there are chemicals going into the atmosphere, but the recent NASA report seems to say that the cause of this ozone depletion would be relative to the recent eruption of Mount Pinatubo, which is a natural cause.

To put things in perspective, it is important to point out that it is not only man-made chemicals that we are talking about here; it is a natural cause. We are talking about a potential 30 per cent to 40 per cent reduction in the ozone layer. Our scientists, who are world-class, by the way, seem to think that it may be in the area of 15 per cent.

All of that being said, we take this problem very seriously. We have always, always taken this problem very seriously. I will examine the issue with the provinces of whether it is not necessary to regulate and, if we come to the conclusion that is what we need, that is what we will do.

THE CONSTITUTION

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my question is for the Prime Minister in the absence of the Minister responsible for Constitutional Affairs.

The last constitutional conference on a renewed Canada will be held in Vancouver the weekend of February 14. I want to ask the Prime Minister how he can justify the conclusion of public debate on the Constitution without having a conference on aboriginal affairs, in light of the overwhelming interest and support of Canadians across this country.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I am happy to answer on behalf of the Minister responsible for Constitutional Affairs.

I think the hon. member will acknowledge that almost all members in this House have taken very seriously the processes we have put forward. We have very actively sought to include as many people as possible in this process, including the aboriginal communities. In fact we put forward a proposal by which they could participate in some conferences, but I regret to report that only two of the aboriginal communities reported that they were favourable to that. In those circumstances we did not think it was appropriate to go forward.

That being the case, we are still ready to look at any mechanisms that will ensure aboriginal people, as all segments of Canadian society, have their say in this very important debate about the future of our country.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my supplementary question is for the same minister.

In previous conferences there were no provisions for aboriginal people. They in fact hijacked the process to get input. There was unanimous consent by the organizations to have a conference on aboriginal affairs.

Having said that, I have in my possession letters from the national organization leaders who would like to have designated the fifth and final conference as an aboriginal conference on aboriginal constitutional agenda.

Will the government reconsider its position and have that conference designated as an aboriginal conference, or will it deny the will of the public again?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in the absence of the Minister responsible for Constitutional Affairs, I would want to make sure that I verify with him the exact nature of the communication.

My information in regard to the question raised is that the Minister responsible for Constitutional Affairs, following meetings with the aboriginal leadership, offered to them that one of these conferences be devoted exclusively to questions of aboriginal concern. My information is that that was rejected.

Ms. Blondin: No, he rejected it.

Mr. Mulroney: My hon. friend says that the minister rejected it. My information is that the minister did not reject it.

Ms. Blondin: Your minister is lying to you.

Mr. Speaker: That is a completely improper suggestion. I think we are going to have to go on.

Some hon. members: Withdraw, withdraw.

* * *

[*Translation*]

MINING

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is for the Minister of Finance. Mining exploration in Quebec has been in a free fall for several months and the Quebec Prospectors' Association is attempting once again, before the budget is tabled, to convince Ottawa to restore tax incentives in Canada.

Can the minister tell us today if he intends to implement new measures to revitalize mining exploration in Canada and in Quebec?

• (1500)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, first of all I want to thank the hon. member for the continuing effort he has engaged in, in support of the mining industry, a very important industry in Canada, worth some $25 billion and some 400,000 jobs. I share the concern he has expressed.

There have been meetings with the mining associations. My understanding is that there is an interdepartmental process ongoing which involves Finance, Energy, Mines and Resources, Employment and Immigration, and Industry, Science and Technology to consider the very worth-while suggestions that have been advanced by the associations.

Mr. Speaker: I want to bring a matter to the attention of the House and also the hon. member for Western Arctic.

While the Prime Minister was answering a question that was put to him by the hon. member for Western Arctic, she very clearly said that his minister had lied to him, meaning the Right Hon. Minister responsible for Constitutional Affairs.

I moved immediately to the next member because I was watching the clock, but that is a completely improper allegation. I know the hon. member did not have the floor, but that makes no difference; it was clearly heard. I would ask the hon. member to withdraw.

Ms. Blondin: Mr. Speaker, I withdraw my remarks.

* * *

PRIVILEGE

REPORT OF STANDING COMMITTEE ON ABORIGINAL AFFAIRS

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, my question of privilege relates to the tabling in the House of a report by the Standing Committee on Aboriginal Affairs on June 19, 1990. The committee at that time made certain recommendations to the House and to the government relating to an apology, compensation and recognition of the contribution of the Inuit people who had been transferred from northern Quebec to the community of Grise Fiord up in the High Arctic.

Under Standing Order 109, the committee then called for a response by the government within the prescribed 150 days. As the Speaker will recall, in response to the committee report on November 19, 1990, the Minister of Indian and Northern Affairs tabled what he called The Hickling report which contained the government's response to our committee's recommendation. It totally supported the government's position, no apology, no recognition, no compensation.

My problem is in the way the minister described the The Hickling report and its consultant in tabling the report. First, he called the consultant independent and in fact the consultant who did the study, Bud Neville, was a former employee of the Department of Indian and North Affairs between 1957 and 1971, slightly after the time that the relocations took place. The person who did the report was anything but independent.

In addition, he called the consultants themselves, the Hickling consultancy, independent whereas in fact that group had received, according to questions we had answered in the House, over $20 million in government funding.

Mr. Speaker: I hesitate to interrupt the hon. member, but the hon. member has sought the floor on a question of privilege. The hon. member may very well have a complaint about what a minister said or did not say, or may have considerable argument about whether or not the person who did the report or others who may have been involved were independent or not independent. That is clearly a matter of debate.

As I say, I treat the matter as a serious matter. The person who did the report and others who may have been involved were independent or not independent. That is clearly a matter of debate. I think it is a serious matter. I wonder if the member could help me in pointing out exactly how this is a question of privilege because I do not see it at the moment.

Mr. Skelly (Comox—Alberni): Mr. Speaker, if I finish my remarks I think you will see that there is a prima facie case that the privileges of the House have been violated.

It was also explained to us at the time that the consultant had been selected after consultation with the Makivik Corporation. I am told that no consultation took place. In fact the minister or his department presented Makivik with the names of three proposed consultants, two of which Makivik rejected out of hand because they felt that they would be totally biased. They indicated they did not know who the third one was or what his record was. The very fact that they did not know was accepted by Indian affairs as consultation and, in fact—

Mr. Speaker: Again I take nothing away from the merits or otherwise of the debate which the hon. member is well into now, but I think I would be straining the patience of the House if I allowed this to continue.

The hon. member may want to reconsider his position and bring the matter before the Chair again but at the moment I have to say that is not a question of privilege. It is very much a question of debate. It may be a question for the committee but the hon. member is not making out a question of privilege. I would ask him to reconsider his position.

* * *

PRIVILEGE

CUSTOMS TARIFF—SPEAKER'S RULING

Mr. Speaker: I have a judgment to give on a question of privilege.

I would like to advise all hon. members that I am now ready to rule on a question of privilege raised on Monday, February 3, by the hon. member for Scarborough—Rouge River concerning the failure of the Minister of Finance to table an Order in Council pursuant to section 59(5) of the Customs Tariff. The Chair has reviewed this serious issue and thanks the hon. member for his succinct explanation of the case.

[*Translation*]

As I said during the statement, I would also like to thank the Parliamentary Secretary to Deputy Prime Minister and Minister of Finance and the hon. member for Okanagan—Similkameen—Merritt for their interventions.

[*English*]

In his presentation, the hon. member for Scarborough—Rouge River correctly pointed out that the Customs Tariff required that an Order in Council respecting the elimination of tariffs on certain plywood and related products under the free trade agreement be tabled in the House of Commons by the Minister of Finance on April 21, 1989 at the latest. This Order in Council was finally tabled on December 12, 1991, some 32 months later. The hon. member did note, however, that this document was registered and published in *the Canada Gazette* of January 18, 1989, thus being placed in the public domain. He also stated that he was confident that the minister's failure to comply with the law was not intentional. The basis of his complaint was that the non-observance of a legal obligation established for the collective benefit of members of the House amounts to a

contempt of the House. Summarizing his argument the hon. member asked:

> In short, does the omission to table a document legally required to be tabled impede or obstruct the House and its members in the discharge of their functions, or does it have the tendency to do so?

This is the question directed to the Chair.

[*Translation*]

The first point that the Chair wishes to highlight is that Speakers do not interpret or enforce matters of statutory law. There are many precedents to this effect.

• (1510)

On June 19, 1978, a question of privilege was raised respecting the late tabling of the Postmaster General's annual report. In rejecting claims that the failure to respect the law constituted a breach of privilege, Speaker Jerome warned the House that the authority of the Chair did not extend to the determination of questions of law.

[*English*]

On two occasions—March 27, 1981 and February 10, 1983—Speaker Sauvé confirmed this principle in denying claims for the Chair to intervene in cases similar to the one raised by the hon. member for Scarborough—Rouge River. In each of these situations, the government had failed to live up to its statutory responsibility to table documents within a specific period of time. In response, Madam Speaker ruled that the Chair had neither the responsibility to interpret the law nor the authority to compel the government to obey it.

These precedents served to highlight the restrictive nature of the Chair's authority with respect to legal questions. However, while the matter raised on Monday may stem from a statutory requirement, the main thrust of the issue is not of a legal nature, but rather a procedural one. As the hon. member for Scarborough—Rouge River so aptly stated, "This is a question of fact rather than a question of law". In the manner of his presentation, the situation is different from earlier cases.

Another key element raised by the hon. member relates to the failure of government officials to act on demands for the tabling of this Order in Council. As he explained in his submission:

> It is far too common for public servants to treat tabling requirements as a matter of little or no consequence with the result that over the years, members of this House have repeatedly had to raise the issue of non-compliance with such requirements. The failure of the minister's officials to advise him of his obligations is all the more inexcusable in this case in that the non-tabling of the order was drawn to the attention of an assistant deputy minister in the minister's department in a letter from one of the counsel to the joint committee for the scrutiny of regulations dated May 8, 1989. Officials of the same department were reminded of this on subsequent occasions prior to December 12, 1991.

That is all a quote from the hon. member but I think it very clearly puts his case.

Therefore, in light of the notices given to the department and its failure to comply with the letter of the law, the hon. member claims that a contempt of the House has occurred and that this case should be dealt with as an offence against the authority and dignity of the House.

[*Translation*]

The Chair wishes to address some other remarks of the hon. member for Scarborough—Rouge River. The member stated that the purpose of tabling documents in the House "is to require documents to be laid before it in circumstances where it determines that the formal transmission of a document is necessary for members of Parliament to properly discharge their responsibility of holding the executive accountable for its actions". Tabling either by the front door or the back door, whether at the discretion of a minister or because of a legal requirement, is an action of the House and as such it is recorded in the *Votes and Proceedings*, the official record of the decisions of the House.

It is through tabling that members are officially apprised of the existence of a document. Thus when we include in legislation provisions for tabling, it is not done lightly but is done for a serious purpose.

[*English*]

The tabling of documents, as specified in our rules, is one of the procedures on which hinges the ability of members to discharge their functions. In particular, with the reform of the rules in 1982, all reports, returns and papers to be laid before the House in accordance with the requirements of the statute are automatically referred to a standing committee pursuant to Standing Order 32(5). Thus, a failure to table any required document has the effect of impeding such committees

from carrying out their mandate "to examine and inquire into all such matters as may be referred to them by the House" as stipulated by Standing Order 108(1).

Our capacity as elected representatives is to be ever vigilant and to protect the interests of our electors. The statutory laws which are in force, those which have been adopted by Parliament as a whole, are meant to be respected and serve no purpose if they are ignored. To quote the hon. member for Scarborough—Rouge River, "a right which cannot be enforced is no right at all". The fundamental question that remains to be answered is whether the Standing Committee on External Affairs and International Trade has been interfered with because it had to wait 32 months before being formally seized of the Order in Council.

The Chair has reflected seriously upon this matter. I have examined very carefully the circumstances surrounding this particular case and the argument presented by the hon. member for Scarborough—Rouge River. I note that the hon. member stated that the correspondence in question has been between counsel for the Standing Joint Committee for the Scrutiny of Regulations and officials from the Department of Finance. It appears that the matter relating to the punctual tabling of these types of Orders in Council lies more appropriately with the committee, at least at the present time. If the committee senses that a contempt has occurred it is within its power to report this fact to the House. Once the House is in receipt of such a report, it can take appropriate action.

[*Translation*]

Until the Committee has reported on this matter, it could be argued that the House should not be dealing with the particular circumstances of this case. It may be that the Committee is in the process of taking some action or that it is contemplating doing so in the future.

In the view of the Chair, this would be an appropriate way of dealing with this matter for the moment, since the committee has already initiated work in this area and may want to continue its review of this matter. As a result of its work, the Committee may want to report to the House recommending an action for the House to take or it might want to report on what it sees as a contempt, at which time the matter may once again come before the House. Without the benefit of the committee's view on this whole matter, I am reluctant to rule that prima facie a contempt of the House exists at this time.

[*English*]

I wish to add however a cautionary comment. Since 1985 Standing Order 32(5) was amended to read as follows:

> Reports, returns or other papers laid before the House in accordance with an act of Parliament shall thereupon be deemed to have been permanently referred to the appropriate standing committee.

I have to say—I think I probably speak for the House—those responsible to meet any deadlines for the tabling of documents in the House of Commons provided for in the Statutes of Canada should reflect carefully about the possible consequences of any delay. I thank hon. members for their assistance in this matter.

Mr. Dingwall: Mr. Speaker, on a point of order, I begin my remarks by saying that I am not questioning the ruling of the Chair. What I am seeking is some sense of clarification so that I and members in the House will fully understand the consequences of this particular decision. I ask the guidance of the Speaker in directing me to either the proper authorities or reviewing the facts. I did not have a chance to read the documents since the Speaker is the only one who has them.

Am I to understand that when there is an obligation on the part of the member of this House to table a document and there is a breach of that obligation which affects the rights and privileges of all members of Parliament, not just members of Parliament from one particular party, that amounts to a non-compliance by the minister in question?

• (1520)

My question for the Speaker is if these elements have been answered in the affirmative—yes, there was an obligation; yes, there was a breach; yes, the privileges of the member have been breached because he was not able to get the document—that would seem to me to be

non-compliance. I ask the Speaker's guidance here. I know it is not an interpretation of law, but would that not be the equivalent of a breach of the privileges of this House? I seek the guidance of the Chair.

Mr. Speaker: I appreciate the hon. member for Cape Breton—East Richmond seeks the guidance of the Chair. The hon. member for Cape Breton—East Richmond also makes a very cogent argument. Perhaps he would have been happy to make that argument a few days earlier.

Whether the hon. member did or not, if the hon. member considers carefully what the Chair said, I think it would be very unwise for anyone to take from the judgment that I have just given that the deliberate refusal to file documents that are to be filed under statute law to committee or to this House would necessarily be treated as not a contempt of the House. If one looks also very carefully at what the Chair has said, I think I have made it clear that I would be prepared to hear further from the committee in question. If there is any need for a further caveat to any assumption that any deliberate refusal to proceed with a mandate of law in filing documents to this House or to these committees, it would be very foolish to assume that the Chair in all circumstances would be mute.

I do not think I need any further comment from hon. members.

Mr. Dingwall: Would the Chair entertain a question?

Mr. Speaker: I listened very carefully to the hon. member and there are, of course, skilful ways to extend an argument past a judgment. I tried to make it very clear. If hon. members will look carefully at what I said and if those who serve ministers in departments will look very carefully at what I said, I do not think there will be too much doubt in anybody's mind that consequences could indeed be very serious.

At the moment I suggested that the committee might look at it again. Depending on what the committee decides, I may hear the matter further.

ROUTINE PROCEEDINGS

[*English*]

HOUSE MANAGEMENT

21ST REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present the 21st report of the Standing Committee on House Management pursuant to Standing Order 104. If the House gives its consent, I intend to move concurrence in this report later this day.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

PUBLIC SERVICE NATIONAL WEEK ACT

MEASURE TO ENACT

Mrs. Marlene Catterall (Ottawa West) moved for leave to introduce Bill C-328, an act respecting a national week of the Public Service.

Mr. Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mrs. Catterall: Very briefly, this bill is presented because Canada has developed as a result of a very dynamic and flexible partnership between the public sector and the private sector a partnership that is even more crucial as we face the difficult economic times in this country and the challenges of the future.

The bill is presented in recognition of the value of the services provided by public service employees, acknowledges their contributions, and asks that the third week of the month of June every year be known as Public Service National Week.

Mr. Speaker: Mrs. Catterall moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

HOUSE MANAGEMENT

CONCURRENCE IN 21ST REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, if the House gives its consent, I move that the 21st report of the Standing Committee on House Management, presented to the House earlier this day, be concurred in.

Motion agreed to.

* * *

THE CONSTITUTION

SPECIAL DEBATE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, there have been discussions among the various parties and members of the House respecting a special debate process regarding the Constitution.

I believe you will find consent for the following motion:

That notwithstanding any Standing Order of this House, on February 6, 10, 11 and 13, 1992, upon the completion of the adjournment debate, or at the ordinary hour of daily adjournment if no adjournment debate is held, the House will continue to sit until 10 p.m. for the sole purpose of allowing members to make presentations on the results of discussions they have had with their constituents on the constitutional issue;

That, for the purposes of this special debate, the question before the House shall be "That this House do now adjourn";

That no member be permitted to speak more than once under the provisions of this order and for a period not to exceed 10 minutes; that members be permitted to table any document which supports their verbal presentation; and that all such presentations and documents be deemed referred to the Standing Joint Committee on the Government of Canada's proposals for a renewed Canada;

That, under the provisions of this order, the Speaker not entertain any dilatory motions or quorum calls; and

That under the provisions of this order, when no member rises to speak, but no later than 10 p.m., the Speaker shall adjourn the House until the next sitting day.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have had the opportunity to read and to hear the motion that was put forward. We are of course totally in favour of having members of this House make their views known on the subject of the Constitution. I simply want to submit this to you, Mr. Speaker. Every evening there should be at least two spots for members of the Bloc Quebecois and the independent members to make their comments before this House since we were not allowed to sit on the special joint committee. You could also benefit from our experience. With that in mind, we would be very happy to give unanimous consent, provided of course we are guaranteed full participation in the debate, which we were denied in the special joint committee.

• (1530)

[*English*]

Mr. Cooper: Mr. Speaker, I thank the hon. member for his indication of consent. It is difficult for me to assure him a guaranteed two spots per evening, but I do want to indicate to him very clearly that we will co-operate in every way to make sure that they have a full opportunity to participate and if in fact on one of the evenings there are four or five slots, they are welcome to take those as well.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I would gladly give our consent to the motion, but I have just a point of clarification to the parliamentary secretary of the government House leader.

In terms of the tabling of documents, they were deemed to have been referred to the Standing Joint Committee on the Government of Canada's Proposals for a Renewed Canada. I presuppose that after the tabling of those documents there will be the appropriate indexing of those documents so that if constituents or others wish to find out in fact where their documents have been, they will be cross-referenced appropriately under the joint standing committee. Is that correct?

Mr. Cooper: Mr. Speaker, I thank the hon. member for raising that point because it is a very important and valid one.

First of all, I want to indicate that they would become documents of the committee the same as any other documents and therefore under their referencing process.

One of the things that I think is very important that we want to be very clear on, is that we are not asking that these documents be treated as *Hansard* documents and thus have to be put through the whole translation process, but that the members would be able to table their documents in the language of their choice and they would then become the documents of the committee and cross-referenced as such.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I want to lend my voice in terms of support of this motion and to say that it seems to me this is a very appropriate use of the House to permit an opportunity for members of Parliament, wherever they happen to live, who have taken time to hold various forms of assemblies or meetings in their constituencies, to be able to report on behalf of their constituents.

I join in this new approach to House time with considerable enthusiasm.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I share the thoughts and was most interested when the hon. parliamentary secretary stood. I was not quite sure what type of motion was coming. I was glad to hear the contents of the motion. I did not get all the dates, but I gather this starts tomorrow night and then goes for several other nights. I will read it tomorrow.

I certainly do want to compliment the parliamentary secretary as one of the hardest working members in this House.

Some hon. members: Oh, oh.

Mr. Nowlan: No, no. I say that. I do not always agree with what he does and I perhaps sit over here because of that, but I want to compliment him. I do share the views of the member for Kamloops that this is the proper procedure, to try to get more of a collegial, non-confrontational situation in this House with all the problems that we do have, especially on a subject like this. I share some of the concerns of my friends from the Bloc Quebecois, but certainly with the time of 6.30 to ten o'clock on the days enumerated, with 10 minutes each, that gives a good focus and members who wish should certainly have the opportunity to participate.

Mr. Speaker: Does the hon. parliamentary secretary have unanimous consent of the House to move the motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I hope not to take much more time of the House. I have here a couple of travel motions that are necessary to change dates for committee travel that we had as a House previously approved, and also a reference to a committee.

I move:

That notwithstanding the order made on December 3, 1991, the Subcommittee on Arms Export of the Standing Committee of External Affairs and International Trade be authorized to travel to Winnipeg and Victoria from March 23 to 27, 1992 instead of February 10 to 14, 1992.

* * *

PUBLIC ACCOUNTS

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, if I can, I will just proceed seriatim so that we save the time of the House.

I move:

That, notwithstanding the order made December 12, 1991, the Standing Committee on Public Accounts be authorized to travel to Washington, D.C. from February 25 to 27, 1992 instead of February 9 to 12, 1992.

* * *

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

REFERENCE TO COMMITTEE OF ANNUAL REPORT

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

That, notwithstanding any order or practice of this House, the annual report of the Department of Indian Affairs and Northern Development for the fiscal year ending March 31, 1991, which was deemed referred to the Standing Committee on Aboriginal Affairs on February 3, 1992, be deemed referred as well to the Standing Committee on Industry, Science and Technology, Regional and Northern Development.

Mr. Speaker: On the same point, does the hon. parliamentary secretary have the unanimous consent of the House? Is it agreed?

An hon. member: No.

Mr. Speaker: The hon. parliamentary secretary apparently does not have the unanimous consent of the House.

[*Translation*]

Mrs. Venne: Mr. Speaker, I have to refuse unanimous consent. We have not been consulted in any way. We would appreciate next time around to be consulted so that we from the Bloc Quebecois know ahead of time what is going on and decide on our course of action. For the time being, the answer is no.

* * *

[*English*]

PETITIONS

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have two petitions this afternoon. One is from a number of residents of the North Thompson Valley in British Columbia who indicate their opposition to the intention to dam the North Thompson River and divert some of the water into the California area. They are asking the Government of Canada to state categorically that our river water is not for sale in this fashion to the Americans.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): On another matter, a number of constituents from the Kamloops region of British Columbia are concerned about the rumours of RCMP cutbacks. They are asking that we ensure the RCMP obtain proper funding so it will be able to fulfil its mandate and role as the only police force for communities across British Columbia and remain as a viable symbol of Canadian unity.

JUSTICE

Ms. Beth Phinney (Hamilton Mountain): I rise pursuant to Standing Order 36. I have the signatures of several thousand people who feel that there are serious deficiencies in the criminal justice system. Many vulnerable persons have little protection under the current system. It is women, children and disabled persons who are at particular risk.

These petitioners request that Parliament recognize that crimes of violence against the person are serious and abhorrent to society and they request that the government amend the Criminal Code of Canada, the Bail Reform Act of 1972 and the Parole Act accordingly.

TELECOMMUNICATIONS

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, pursuant to Standing Order 36 I have two petitions to present to the House today.

The first petition is from a number of residents of my riding, in particular from Penticton through the Okanagan Valley, with respect to the rural communications matter. They urge the Minister of Communications to oppose Unitel's present bid to compete with Canada's telephone companies' long distance service and also urge the Minister of Communications to hold local hearings in our communities before deciding the fate of the telecommunications system in Canada.

ROYAL CANADIAN MOUNTED POLICE

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): The next petition is from a number of residents throughout my riding of Okanagan—Similkameen—Merritt.

While the subject has been somewhat dealt with in recent developments involving the Solicitor General and the RCMP in various provinces, they are still concerned about the continuation of RCMP services within the province of British Columbia and urge the government to consider restoring proper funding to the RCMP so it can continue to fulfil its mandate and role as the only visible police force for communities across British Columbia and remain as a viable symbol of Canadian unity.

INCOME TAX ACT

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, pursuant to Standing Order 36 it is an honour and a privilege to present a petition on behalf of hundreds of residents of the riding of Elk Island in Alberta calling upon Parliament to amend the Income Tax Act such that child related benefits and deductions for child care are fair

and equitable to all family structures based on financial need and irrespective of child care choice.

GASOLINE PRICES

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I rise to introduce a petition signed by constituents in the Ottawa area who are appalled at the fact that they are paying more for gasoline than those in any other part of Ontario.

• (1540)

They would like the federal government to examine ways to correct this injustice by amending the Competition Act.

TAXATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have a number of petitions with which I shall deal briefly.

The first concerns the Income Tax Act and points out that receipted day care can be deducted for certain families, while there are no options available for families who choose other alternatives.

The petitioners also point out a contradiction between married couples and common law couples. They would hope that married couples would enjoy the same kind of benefits. They feel that this difference in treatment is unfair and point out that the legislation is piecemeal, contradictory and disorganized. The petitioners want some changes.

POST-SECONDARY EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my second petition is from more than 150 students from the University of Winnipeg.

The petitioners point out that education ought to be available to all Canadians who have the will and the ability to pursue post-secondary education opportunities, not just those who have the financial means.

The petitioners point out that the government talks about competitiveness and productivity, but they—

Mr. Speaker: Under the rules hon. members will have to rise. I would ask the hon. member to put his petition as briefly as possible.

Mr. Duhamel: The petitioners would like the current legislation rescinded so that financing to post-secondary education is not removed.

Mr. Speaker, I have another petition on education from students from Brandon making the same points.

As well, they deplore the 3 per cent administrative fee on student aid. They feel that the current government legislation is inappropriate and does not lead to additional competitiveness and increased productivity.

UKRAINE

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my fourth and second last petition has been delayed for a number of reasons.

The petitioners call upon the government to recognize the independence of Ukraine. Of course, we know that has now been achieved, as have full diplomatic relations. We wish the Ukrainian people well.

JUSTICE

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my final petition is on behalf of a number of constituents who are reacting to the murder of Nina de Villiers.

This petition now has over 200,000 signatures. The petitioners point out that violence of any type is unacceptable and call upon the government to change the various pieces of legislation such as the Bail Reform Act and the Parole Act, as well as the Criminal Code of Canada with respect to violent crimes.

TRADE

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I rise today to present a petition by residents of my riding of Scarborough—Agincourt against the proposed Canada—U.S.—Mexico agreement.

My constituents have no faith in the government. In 1988—

Mr. Speaker: The rule says that the member presenting a petition may briefly describe the petition. The rule makes it very clear that the member is not supposed to get into debate. The reason is that no other member can rise. I would ask the hon. member to let the House know what the petitioners are asking for.

Mr. Karygiannis: Mr. Speaker, the petitioners in my riding are asking that this proposed Canada—U.S.—Mexico free trade agreement be stopped so Canadians can get back to work.

JUSTICE

Mr. Stan Keyes (Hamilton West): Mr. Speaker, pursuant to Standing Order 36, I too have the honour, the privilege and the duty to present to this House a petition certified correct by the clerk of Petitions.

The petition contains signatures in addition to the some 200,000 signatures already presented to this House of Commons. The petitioners request that Parliament recognize that crimes of violence against the person are serious and abhorrent to society and amend the Criminal Code of Canada, the Bail Reform Act of 1972 and the Parole Act accordingly.

Ms. Barbara Greene (Don Valley North): Mr. Speaker, my first petition supports the previous petitions that have been tabled.

The petition calls upon Parliament to recognize that crimes of violence against the person are serious and abhorrent to society and to amend the Criminal Code of Canada, the Bail Reform Act of 1972 and the Parole Act accordingly.

IMMIGRATION

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I have two other petitions, both of which urge the Minister of Employment and Immigration to issue ministers' permits for spouses and dependent children of persons who have been determined to be convention refugees and allow them to be reunited in Canada through inland processing.

FISHERIES

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, I have the honour today to present a petition on behalf of a number of constituents from Cardigan, Prince Edward Island, who work or have a great interest in the fishing industry. The petitioners wish to indicate the slip for the wharf at Graham's Pond, Prince Edward Island, is in a state of disrepair; whereas it is the responsibility of the government to maintain basic public facilities, wherefore, the undersigned, your petitioners, humbly pray and call upon Parliament to urge the government to ensure all necessary repairs be made to the slip at the small craft harbours facility at Graham's Pond, Prince Edward Island.

JUSTICE

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I rise, like my colleagues, to present two petitions from a number of constituents from my riding who are appalled at the circumstances which led to the death of Nina de Villiers. They humbly pray and call upon Parliament to pass legislation which will ensure that such violent crimes never happen again.

It has been stated many times in this House that there is a need for more stringent legislation and we hope the House will address itself to that.

[*Translation*]

GASOLINE PRICES

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I have a petition signed by residents of the national capital region who ask the government to deal with the cost of fuel in the national capital region.

As you very well know, several studies showed that the price of gasoline was much higher in the national capital region than in other places in Canada.

Therefore, Mr. Speaker, I would really like the government to deal with this matter and set it right.

[*English*]

JUSTICE

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, pursuant to Standing Order 36, I have a petition from residents of the greater Toronto area whereby they cite failures in the criminal justice system and the correctional system which have put ordinary Canadians at greater risk to their safety and their lives. They ask the government to enact reforms to the Criminal Code, the Parole Act and the Corrections Act.

GASOLINE PRICES

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the honour to present a petition signed by many people who live in Ottawa, Arnprior, Richmond, Nepean and other cities and towns in the Ottawa Valley. They complain that gasoline prices are considerably higher in the Ottawa region than in southern Ontario.

The petitioners humbly ask Parliament to urge the government to correct this injustice done to motorists in the Ottawa area.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the following questions will be answered today: Nos. 143, 198, 199, 202 and 205.

[*Text*]

Question No. 143—**Ms. Callbeck:**

With respect to wharf repair and maintenance in Prince Edward Island, for each year since 1981, how much money was spent by the government, what is the estimated government expenditure for the current fiscal year?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): I am informed by the Departments of Fisheries and Oceans and Transport as follows:

In so far as Fisheries and Oceans:

(*a*) Prince Edward Island total expenditures in dollars:

1981/82 — 2,765,500	1986/87 — 3,010,000
1982/83 — 2,621,500	1987/88 — 3,044,700
1983/84 — 5,447,500	1988/89 — 7,144,400
1984/85 — 7,576,500	1989/90 — 4,332,200
1985/86 — 4,080,300	1990/91 — 2,635,600

(*b*) The estimated expenditure for 1991/92 is 3.2 million.

In so far as Transport Canada:

(*a*) See attached Schedule A.

(*b*) 1991/92 Forecast expenditure

Charlottetown (O&M)	$184,000
Souris (O&M)	451,000
Souris (Capital)	10,000
Summerside (O&M)	151,000
Georgetown (O&M)	26,000
	$822,000

HARBOURS AND PORTS — MARITIMES REGION

OPERATION & MAINTENANCE (O&M) AND CAPITAL EXPENDITURES

PROVINCE OF PRINCE EDWARD ISLAND

FISCAL YEAR	TYPE OF EXPENDITURE	CHARLOTTETOWN	SOURIS	SUMMERSIDE	GEORGETOWN	TOTAL P.E.I
1990/91	Capital	97,595	787,034	99,291	–	983,920
	O&M	188,511	900,820	482,460	64,250	1,636,041
1989/90	Capital	–	5,471,965	–	–	5,471,965
	O&M	170,995	335,051	114,366	76,094	696,506
1988/89	Capital	–	4,121,571	54,817	77,410	4,253,798
	O&M	125,897	181,828	117,384	106,432	531,541
1987/88	Capital	–	738,282	11,415	–	749,697
	O&M	87,616	116,600	466,525	213,352	884,093
1986/87	Capital	59,878	241,097	1,839,263	1,204,745	3,344,983
	O&M	93,502	236,718	216,417	41,077	587,714

FISCAL YEAR	TYPE OF EXPENDITURE	CHARLOTTE-TOWN	SOURIS	SUMMERSIDE	GEORGE-TOWN	TOTAL P.E.I
1985/86	Capital	–	153,013	246,041	5,446,078	5,845,132
	O&M	316,563	608,180	281,351	21,865	1,227,959
1984/85	Capital	51,358	299,595	39	205,417	556,409
	O&M	227,482	138,166	217,841	5,853	589,342
1983/84	Capital	603,592	549,627	165,177	50,852	1,369,248
	O&M	–	–	–	–	–
	(Not available)					
1982/83	Capital	296,280	–	–	19,322	315,602
	O&M	–	–	–	–	–
	(Not available)					
TOTAL		**2,319,269**	**14,879,547**	**4,312,387**	**7,532,747**	**29,043,950**

NOTE: (1) Figures for the fiscal 1981/82 fiscal year are not available.
(2) O&M Expenditures, Harbours and Ports Branch, include major repair and maintenance and exclude administration costs and minor repairs.

Question No. 198—**Mr. Peterson:**

Since the implementation of the Postal and Courier Remission Orders of 1986 to date (*a*) what is the total number of shipments received into Canada under these provisions free of all federal tax and duty (*b*) what is the total value of these shipments (*c*) what is the total loss of federal revenues from these tax and duty-free imports?

Hon. Otto Jelinek (Minister of National Revenue):

(*a*) Customs and Excise does not maintain detailed statistical data (i.e. volumes, values and remitted revenues) on the Postal and Courier Imports Remission Orders. However, it is estimated that, in 1991, 27 million parcels were released under the Postal Imports Remission Order (PIRO) and 2 million parcels under the Courier Imports Remission Order (CIRO).

(*b*) Assuming an average value of $20 per parcel, and deducting 4.5 million gifts sent by mail, the total value of PIRO shipments in 1991 would be $450 million and the value of CIRO shipments would be $40 million.

(*c*) Assuming an average combined duty and tax rate of 12%, the total revenue remitted in 1991 under PIRO would be $54 million and under CIRO it would be $4.8 million.

These orders were originally introduced in 1986 as a cost saving measure for the government in respect of the processing of very low valued postal and courier importations. At that time, it cost the department approximately $10 to process, classify and collect duties and taxes on such shipments. Therefore, it was determined that for the vast majority of transactions involved, the cost of collecting significantly exceeded the revenue lost. In keeping with government priorities of fiscal responsibility and administrative efficiency, $40 was chosen as the appropriate limit at that time.

The government has established an interdepartmental committee to investigate fully and make recommendations respecting the effect these orders are having on the Canadian mail order industry.

Question No. 199—**Mr. Peterson:**

Is the government aware that the United States government is not eliminating its existing customs user fees as specified in Article 403 of the Canada–United States Free Trade Agreement and, if so, what action is the government taking to ensure American compliance with Article 403 of the FTA?

Mr. Dave Worthy (Parliamentary Secretary to Minister of Industry, Science and Technology and Minister for International Trade): Under article 403 of the Canada–U.S. Free Trade Agreement (FTA), each party to the agreement is prohibited from introducing customs user fees with respect to goods originating in the territory of the other party. In addition, the U.S. undertook to eliminate existing customs user fees on goods originating

in Canada. In that regard, the U.S. is phasing out its merchandise processing fee on schedule and will eliminate it entirely by January 1, 1994. The removal of this fee is an important achievement of the FTA, as it will save Canadian exporters an estimated $400 million in the 1990–94 period and an estimated $200 million a year thereafter.

Question No. 202—**Mr. Bellemare:**

With respect to the goods and services tax, (*a*) how much money has been collected by the government from January 1, 1991 to December 31, 1991, or to the date at which this question is answered, whichever comes first (*b*) what portion of the funds collected during that period was applied to the reduction of the national debt?

Hon. Otto Jelinek (Minister of National Revenue): With respect to the goods and services tax:

(a) For the period January 1—March 31/91 (1990–91 fiscal year), net GST revenues collected amounted to $2.573 billion.

For the period April 1—November 30/91 (1991–92 fiscal year), net GST collected amounted to $9.603 billion. (Government of Canada: Financial Results, November 1991, published by the Department of Finance: These are the most recent published revenue figures.)

(b) The debt servicing reduction bill (C–21), currently referred to the House of Commons finance committee, provides for the establishment of the Debt Servicing and reduction account. All GST revenues net of the applicable rebates and credits, net proceeds from the sale of Crown corporations and gifts to the Crown identified for debt reduction will be credited to this account. Revenues in this account will be used only to pay interest on the public debt and ultimately public debt.

Question No. 205—**Mr. Bellemare:**

With respect to the manufacturer sales tax from January 1, 1990 to December 31, 1990, (a) how much money was collected by the government (b) what was the total value of the costs related to the administration of that tax?

Hon. Otto Jelinek (Minister of National Revenue): With respect to the manufacturers' sales tax:

(a) From January 1, 1990, to December 31, 1990, the net federal sales tax collected totalled $17.3 billion.

(b) From January 1, 1990 to December 31, 1990, the costs related to the administration of this tax totalled $66.9 million.

[*English*]

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

Mr. Cooper: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

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

Mr. Speaker: Is it agreed?

Some hon. members: Agreed.

* * *

MOTION TO ADJOURN UNDER S. O. 52

AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, I have given notice for an emergency debate. I wish to ask leave to move adjournment of the House for the purposes of discussing a matter of urgency, namely that immediate steps must be made by the government to preserve Canada's supply management farm marketing boards. They are now under serious threat at the GATT negotiations in Geneva. I further ask that the government deal with the entire crisis facing the agrifood industry and the family farm in Canada.

At stake here is a $10.2 billion industry for our farm commodities of dairy products, eggs, poultry and others, and also some 97,000 jobs. The very secure supply of domestically produced dairy and poultry products is at stake. The viability of our most successful and productive farm sectors is at stake.

More important, the viability of literally thousands of communities across Canada is at stake, and that is why I ask for this emergency debate.

• (1550)

Mr. David Dingwall (Cape Breton—East Richmond): I rise on a point of order, Mr. Speaker. Yesterday you were not in the chair. I made reference to the fact that with regard to Standing Order 52 and applications made pursuant to that order, I wanted to avail myself of the opportunity to put a few comments on the record with regard to the discretion that the Speaker has in terms of determining whether or not there ought to be a debate under this particular provision.

I would like to proceed at this time if I may. My points are fairly brief and succinct and I would like to put them to the Chair before the Chair makes a decision with regard to this application.

Mr. Speaker: I certainly do not want to cut off discussion on a matter of interpretation of any rule. My difficulty now is that I have an application in front of me and the rule is very clear. There is to be no argument and the matter is to be put forward succinctly, as the hon. member for Algoma has done.

I do not know that it would be appropriate or proper, since I have now heard the application and have not yet ruled, to hear discussion on how the rule might or might not be interpreted. I am certainly prepared to hear that on another occasion, but I wonder if the hon. member for Cape Breton—East Richmond can satisfy me that I ought to hear a discussion now on the rule in front of me when the application under the rule is before me. That is my difficulty.

I will hear the hon. member further.

Mr. Dingwall: Mr. Speaker, it certainly would be my preference to speak before the Chair makes a decision. However I perfectly understand the dilemma the Chair is in. If the Chair wishes to proceed with making a decision on this particular application, I would be only too happy to wait and then offer my particular views on the interpretation that I have with regard to Standing Order 52.

Mr. Speaker: All right. I think we are also going to have a limited debate on the order and I would now like to ask the consent of the House to do so.

Mr. Dingwall: It is a point of order.

Mr. Speaker: Yes, it is a point of order in one sense but how long does it go on?

I am going to make the ruling now on this matter.

First of all, the hon. member for Algoma is not the only member who has brought the matter to the attention of the Chair this week. The matter has received a certain amount of attention in the Chamber and certainly today.

There is no question that the matter is a serious one. I am not inclined to say today that it meets the question of emergency which I have to look at.

I am going to say to the hon. member for Algoma that I will continue to pay very close attention to what was said. Not accepting the application today does not mean that the member is precluded from bringing it up at another time.

The hon. member for Cape Breton—East Richmond rises on a point of order and I know that he wants to get into a discussion as to what this order means. Perhaps I could ask the hon. member how long he expects to be on this matter.

Mr. Dingwall: Well, Mr. Speaker, I expect, since it is now six minutes to four, that I would be no longer than five minutes, and possibly three minutes, with regard to a point of order which I believe is close to the heart of Standing Order 52, which is the discretion exercised by the Chair.

I thought the Speaker might want to entertain some thoughts that we in the Official Opposition have regarding a very important matter.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, as I am sure you are aware, this issue was raised yesterday or the day before by way of a forewarning by the House leader for the Liberal Party.

I indicated at that time I had some concerns because it sounded to me like he was entering into a debate about a particular Standing Order and possible changes or interpretations of it. I continue to have those concerns because if it is a matter of a change to the Standing Orders, then we have a number of vehicles that are available for that, such as the management committee.

I am quite concerned, Mr. Speaker, that we get into a debate that I am not sure is really a proper debate via a point of order. I think there are other vehicles by which we could discuss it, and we certainly would be happy on this side to discuss it with him. I, personally, would be quite prepared to discuss it with the hon. member and the Speaker and whoever else might be interested in this subject.

Mr. Speaker: My sense of things at the moment is that it would be better at least if the hon. member for Cape Breton—East Richmond and the parliamentary secretary discuss the matter. They might want to indicate to me if they wish to pursue the specific question of the order itself at an appropriate time.

My disposition against getting into a discussion now is that it is going to be very difficult to have a discussion on this order without it being tied to the decision which I have just had to make. I think it would be better for the House if that did not take place at this moment.

I would ask the hon. member for Cape Breton—East Richmond if he would like to consider his position and perhaps give me some indication tomorrow morning if he wants to pursue the matter.

Mr. Dingwall: Yes, Mr. Speaker, I wish to proceed tomorrow at the first opportunity with regard to this particular provision. I believe it is a legitimate point of order and what better place to raise a point of order than in the House with colleagues opposite. It would take four or five minutes and may in some circles be of some assistance to the Chair. It is not an attempt to perform or put forward a dilatory motion in any respect. It is a legitimate attempt to raise a point of order on a very important procedure in this House, namely emergency debates pursuant to Standing Order 52.

So, yes to the question as raised by the Chair. Tomorrow would be fine, Mr. Speaker.

Mr. Speaker: I will hear the hon. member immediately after Routine Proceedings tomorrow. I appreciate his co-operation. I am also cognizant of what the hon. parliamentary secretary has said.

With respect to the order, the difficulty that the Chair has with the order is that there is very little guidance to the Chair. There is the element of emergency. It has to be clearly understood that often, as a consequence, matters that are very serious may not necessarily get accepted. I will hear the hon. member tomorrow. I am sure the hon. parliamentary secretary or others may have some comments which may assist us. However, and I know the hon. member will keep this in mind tomorrow, I am bound by the rules as they appear in front of me. If changes are to be made, then of course that is a matter for members to agree upon.

GOVERNMENT ORDERS

• (1600)

[*English*]

CANADA DEPOSIT INSURANCE CORPORATION ACT

MEASURE TO AMEND

Hon. John McDermid (Minister of State (Finance and Privatization)) moved that Bill C-48, an act to amend the Canada Deposit Insurance Corporation Act and to amend other acts in consequence thereof, be read the second time and referred to Legislative Committee F.

He said: Madam Speaker, I am pleased to lead off the debate on Bill C–48. This bill contains amendments to the Canada Deposit Insurance Corporation Act that will expand the range of options available to the government for dealing with troubled financial institutions. These amendments will give the Canada Deposit Insurance Corporation the authority to arrange and carry out the sale of troubled federally regulated financial institutions to a healthy institution.

At the outset I would like to say that one of the things we discovered when we went back to our ridings and talked about what goes on in the House, whether it be Question Period or debates in the House of Commons, is that we as parliamentarians take for granted that those who are watching us on television know what we are talking about.

Therefore, if I might for just a brief second explain that the Canada Deposit Insurance Corporation, which is a Crown corporation under the responsibility of the Minister of State for Finance and Privatization, provides insurance for depositors, for people who invest their money in financial institutions. It provides insurance coverage of up to $60,000 for each depositor.

Today we are talking about and I will be speaking on amendments to the act which allow the CDIC, the Canadian Deposit Insurance Corporation, some methods of further ensuring the safety of the deposits of Canadians in financial institutions. That is what we are going to be talking about today.

I am sure that hon. members will recall that we first proposed some restructuring of the financial institutions in a blue paper on financial sector reform.

My colleague, the Secretary of State for External Affairs is here today. I believe that she as Minister of State for Finance, started that process. I am pleased that she is here today to see that the reform she started is carrying on.

That proposal followed a report from then Mr. Justice Bud Estey who examined the Canadian Commercial Bank and the Northland Bank failures. As a result of that examination, Judge Estey concluded that existing procedures and powers for dealing with failing institutions needed to be enhanced.

Major elements of the reforms set out in the blue paper have already been considered and endorsed by this House. It is now time to complete this process of reform and give speedy passage to this remaining piece of legislation.

[*Translation*]

Major elements of the reforms set out in the blue paper have already been considered and endorsed by this House. It is time now to complete the process of reform already begun and to give speedy passage to the other amendments contained in the bill.

[*English*]

As the federal deposit insurer, CDIC can be exposed to substantial potential losses when the financial difficulties of a member institution lead to the erosion of the institution's capital. This bill adds to CDIC's capacity to control exposure to loss by giving CDIC the necessary means and procedures to act in a timely manner to restructure a failing institution. The result will be a more cost effective deposit insurance system. Participants in this system, including depositors and CDIC member institutions, stand to benefit.

The quick resolution of difficulties which may arise at deposit taking institutions holds an additional benefit for depositors. The period of uncertainty and speculation which can be created by the prospect of a failing institution can be avoided if action is promptly taken. This bill makes it possible to deal more effectively with failing institutions and reduce disruptions in Canadians' financial dealings.

Before describing these new measures more fully, allow me to take a moment to note the ways in which the federal government can deal with a deposit taking institution in serious financial difficulty.

If this troubled financial institution lacks the financial resources needed to solve its difficulties, it generally faces one of two prospects. One is liquidation; the other is the sale or merger of its operation with a healthy institution.

In liquidation the institution is broken up and its assets are sold. The sale proceeds go toward paying the institution's liabilities.

On the other hand, if a buyer or merger partner is found, the institution's business can be preserved and liabilities will be paid as they come due.

[*Translation*]

Madam Speaker, a deposit taking institution's branches and the relationships formed between the institution and its customers are among its most important assets.

[*English*]

When a troubled deposit-taking institution is closed and subsequently liquidated, its relationships with customers, both depositors and borrowers, will be cut off and the value of the branch network reduced. If the institution's branches are well established, this may mean not only a disruption of many people's financial affairs but also may considerably reduce the net worth of the institution by destroying its value as a going concern.

Preserving maximum value in a troubled deposit taking institution is in the best interest of the institution's depositors and creditors and the deposit insurer. However, once a deposit taking institution's capital falls below a certain level, shareholders may find themselves in a position in which they have little left to lose by the institution's further decline. At this stage declines in the value of the assets of the institution will be borne more and more by the creditors of the institution, its uninsured depositors and the deposit insurer. This can lead to a situation in which the shareholders' ability to block a sale or merger can be used to extract payment from CDIC or public authorities.

Though the shares of the institution have little or no value at this point, CDIC may find that it has to pay shareholders more than the true value of the shares to get them to agree to a transaction which preserves the value of the failing institution.

Bill C-48 contains measures to deal with this situation and gives federal authorities more control over the cost of resolving serious financial difficulties which may arise. The measures in this bill accomplish this goal while still respecting the rights of shareholders.

The restructuring process vests all ownership rights in the troubled institution in CDIC and makes CDIC responsible for managing the institution's restructuring. As sole shareholder, CDIC can approve any restructuring proposal. This could include the sale of the shares of the institution to one or more buyers, an amalgamation of the institution with another, or the sale of its assets and liabilities. Shareholders and subordinated debt holders will be compensated for the value of their shares and debt claims.

CDIC's use of the new restructuring measures will be guided by the pursuit of the objectives set out for CDIC in its act. These objectives are to provide deposit insurance, to promote high standards of business and financial practices, to promote the stability and competitiveness of the financial system in Canada, and to pursue these objectives for the benefit of depositors and in a manner which minimizes CDIC's exposure to loss.

These objectives provide assurance that the competitiveness and stability of the financial system, as well as the cost to CDIC, will be prime factors in determining how to resolve financial difficulties which may arise at CDIC member institutions.

The new powers granted to CDIC in this bill are appropriate, given the risk that CDIC bears and given the need to take decisive action when serious financial difficulties arise.

• (1610)

Nevertheless, these powers require that they be balanced by measures which ensure that shareholders and holders of subordinated debt are treated fairly.

The restructuring provisions in this bill accomplish this in two ways.

First, there is a set of conditions precedent which must be considered before a financial institution restructuring

process can be ordered. These conditions and the series of approvals required will prevent premature or arbitrary use of the power to restructure troubled deposit taking institutions.

Second, shareholders and subordinated debt holders of an institution that is restructured will be compensated according to the value remaining in the shares or debt. This is assured by their right to request that an independent assessor be appointed to determine what fair compensation is.

These safeguards are very important features of this bill.

Now let me take a few moments to describe in greater detail how they will work.

Before the authority to restructure a troubled financial institution can be used, certain conditions must be considered and a detailed procedure involving the Superintendent of Financial Institutions, the Canada Deposit Insurance Corporation, the Minister of Finance and the federal cabinet must be followed.

The first step is the superintendent's judgment of the financial condition of the troubled institution. Specifically the superintendent must determine that the institution has ceased or is about to cease to be viable and that there is no regulatory power that the superintendent can use to restore or preserve the viability of the institution. The superintendent must then report to CDIC on the condition of this institution.

I might say that these two organizations do co–operate greatly and meet together with myself, the minister responsible, on a monthly basis to review the situation with our financial institutions.

CDIC must in turn decide whether it is appropriate to recommend to the Minister of Finance that the troubled institution be restructured. In making this decision, CDIC must be satisfied that a restructuring is consistent with the objectives set out in its act.

If CDIC recommends a restructuring of the troubled institution, the minister must assess the financial condition of the institution question and be satisfied that it has ceased, or is about to cease to be viable. Only then may the minister recommend to the Governor in Council that a restructuring order be made.

The assessment of the institution by the superintendent and the minister will be guided by criteria which will be set out in the act for owners and operators of financial institutions.

Put simply, the criteria will describe an institution that is no longer capable of continuing on its own. Evidence of this condition may include the institution's excessive dependence on financial assistance to sustain its operation, the loss of the public's and depositors' confidence, substantial impairment of capital, and the institution's inability to pay its liabilities.

These criteria give clear guidance to all concerned that the restructuring authority provided in the bill should only be used when the condition of the institution warrants.

The conditions which must be considered before an institution can be restructured are coupled in the bill with measures to ensure that when an institution is restructured, shareholders and subordinated debt holders will be treated fairly.

Most important among these are the measures dealing with compensation. Where the shares and subordinated debt of a restructured institution have value, their holders will be offered compensation from CDIC. If 10 per cent or more of a class of shareholders or subordinated debt holders feel that CDIC's offer is too low, they will have the option of seeking the appointment of an independent assessor to determine what is fair compensation.

The assessor, who will be a judge, will have full powers to hear evidence and will be given broad terms of reference for determining the appropriate level of compensation. If, for example, the assessor finds that a higher level of compensation should be paid then CDIC will be required to pay.

We have tried to strike a balance in this bill between the objectives of economic and financial stability on one hand and respect for the normal property rights of shareholders and subordinate debt holders on the other. I am confident, after working on this bill for some time, that we have achieved such a balance.

I would like to turn now to some other features of this bill. The bill contains a small number of amendments which are not directly related to the financial institution restructuring process. The first of these is aimed at

improving the flow of information about deposit insurance to customers of financial institutions. Until the existing CDIC act, employees of CDIC member institutions could not provide even the most basic information about deposit insurance to customers. The amendment will improve this situation by allowing CDIC member institutions to provide their customers with more information regarding deposit insurance. This is an important step toward improving the public's understanding of deposit insurance coverage and, I might add, is welcomed by the industry.

The second amendment provides for an increase in CDIC's borrowing limit from the Consolidated Revenue Fund to $6 billion. The last increase was in 1987 when the limit was raised to $3 billion. Since then, insured deposits in our financial institutions in Canada have grown by 50 per cent. The proposed increase will accommodate this growth and cover anticipated increases in insured deposits over the next few years.

Other amendments are of a more technical nature but are nonetheless important for CDIC's operations. These amendments will give CDIC greater flexibility to make by-laws to promote a common standard of business practice and conditions of insurance coverage among the member institutions.

The amendments contained in this bill will permit the Canada Deposit Insurance Corporation to carry out its mandate more effectively. The process set out in this bill for the restructuring of federal deposit taking institutions will contribute to the health and stability of the financial system and help control the cost of the deposit insurance system.

Other changes in Bill C-48 will support the important goals of achieving common standards of business and financial practices and providing the public with greater access to information on deposit insurance. I look forward to the participation in the debate of colleagues from the opposition benches. They have been afforded and have taken up the offer to be briefed by departmental officials. I hope their questions and concerns have been answered to their satisfaction.

I look forward to the debate. I believe that once the bill is carefully examined, all parties will see its wisdom and ensure its passage in a reasonable period of time.

I understand that consultations have been taken with the opposition parties and therefore I move:

> That pursuant to Standing Order 73(3), Bill C-48, an act to amend the Canada Deposit Insurance Corporation Act and to amend other acts in consequence thereof, be referred to the Standing Committee on Finance.

Motion agreed to.

Ms. Catherine Callbeck (Malpeque): Madam Speaker, I have listened with interest to the hon. minister and his comments regarding the amendments to the Canada Deposit Insurance Corporation, Bill C-48, that we have before us this afternoon.

First of all I want to say that we in the Liberal Party will be supporting this legislation at second reading. Its purpose is to give the federal government the power to try to save a failing bank or trust company by seizing the assets of the institution and either restructuring the company or arranging a merger with a healthy institution.

• (1620)

At present, one of the problems with the present legislation is that the regulator does not have the power to intervene early enough in some cases to protect the shareholders, consumers and the debt holders.

I said that we on this side of the House will support this legislation at second reading, but there are a number of issues that we will want to address when this legislation goes to committee.

One of those issues is how to prevent regulators from using their new powers arbitrarily. In other words, we want to make sure that they do not abuse this power by moving too quickly or prematurely to take over the assets of a trust company or a bank.

On the other hand, we do not want to see banks or trust companies go under. People lose money: creditors, depositors, and shareholders.

As well, many people would be laid off. In this industry the banks and trust companies employ over 400,000 Canadians across this country. The importance of keeping Canadians at work becomes even more important when we are in a recession as we are today where we have 1.5 million Canadians unemployed.

We want to be very cautious about giving these regulators the massive powers outlined under Bill C–48. We will spend a lot of time in committee studying it very closely.

I believe that the alternative to this would be worse, in other words if we did not pass this legislation. The situation that we presently have is that the regulators do not have the power to intervene early enough in some cases to protect our consumers, our depositors and our shareholders adequately.

I see no reason to hold up the second reading of this legislation. Before I begin discussing Bill C–48, I would like to put this legislation in historical context.

In 1985, I am sure that we all recall the two western banks that failed: Canadian Commercial and the Northland. That prompted an inquiry by the government. In August 1986, the Hon. Mr. Justice Willard Estey submitted his report. In that report he argued that the public would be well served if regulators had the power to force a bank or a trust company that is facing bankruptcy or insolvency, to restructure or to merge with another financial institution.

Mr. Justice Estey proposed that the regulator would have the responsibility by statute to recommend which course of action—liquidation or a merger or restructuring—would be appropriate in the circumstances and to seek the authority of the Minister of Finance to proceed. That was in August of 1986.

In December 1986 the government produced a blue paper. It looked as though it was going to move very quickly on the recommendation of Mr. Justice Estey, but all we received was a blue paper.

In that paper they proposed the recommendation that if an institution, a bank or a trust company is faced with insolvency, the federal cabinet would have the power to give control of the institution to the Canada Deposit Insurance Corporation.

According to the blue paper, conditions would be set out. In other words, it would be very clear as to when they would have the power to do this. Also, it would be spelled out how the creditors and the shareholders would be compensated. That was back in 1986 and here we are six years later, after that blue paper, and the government has finally tabled this recommendation and this legislation we have before us, Bill C–48.

The question is: Why did the government wait for six years? That is a question that is very difficult for me to understand because this is something that is extremely important to the financial industry.

I want to detail some of the main points of Bill C–48, paying particular attention to the restructuring process. That is the main thrust of the bill. Of the 20–page bill most of it is devoted to this restructuring.

Before I do that, I want to take a minute and talk about the Canada Deposit Insurance Corporation which was established in 1967 to provide insurance for depositors who put their money into banks or trust companies. That insurance covers up to $60,000. Really, it is an insurance for deposits or for people who put their money into banks and trust companies in this country and, therefore, it helps to promote the stability of the Canadian financial system.

The Canada Deposit Insurance Corporation is financed by the premiums that are paid by the banks and trust companies that belong to this corporation. It does insure over 150 Canadian financial institutions.

The Canada Deposit Insurance Corporation, as well as insuring deposits, guarantees loans to unhealthy financial institutions and it prescribes the standards of sound business and financial practice for financial institutions.

Of course, working closely with this corporation is the Superintendent of Financial Institutions, because he has to inspect and regulate the federal financial institutions that are under this corporation.

This restructuring process, as I mentioned, really provides that a bank or a trust company that is facing bankruptcy or insolvency can be seized by the Canada Deposit Insurance Corporation which will then restructure or merge it with a healthy institution.

In order to ensure that these special powers are used appropriately, in other words that they are not used unjustly and the corporation does not act prematurely, the legislation sets out a lot of conditions. For example, the corporation must get a report from the Superintendent of Financial Institutions stating that the financial institution is no longer viable.

Then the corporation has to take that report to the Minister of Finance and convince him that the institu-

tion must be seized, that they can arrange a rescue package and that it has a potential buyer or merger partner.

• (1630)

Before the finance minister can agree or disagree he must hear from the directors of the financial institutions so that they have their opportunity to put their case before the minister.

If the minister still agrees with the Canada Deposit Insurance Corporation then the corporation takes over the institution and the shareholders and the debt holders are offered compensation, if there is any value left in the institution.

Each individual shareholder and debt holder can decide whether he or she going to take that compensation. If over 10 per cent reject the offer, an independent assessor will be appointed who determines whether the offer was fair and, if not, what the amount of money should be.

That is a summary of the restructuring process. Certainly it is not perfect, but it does try to strike a balance on the one hand between the need for decisive action to save a failing financial institution. As I said, presently and in the past the regulator has not had the power to go in there in some cases as quickly as he probably should have. It tries to strike a balance between the need for decisive action to save a financial institution and on the other hand the need to respect the rights of that institution's shareholders and debt holders. That is not an easy balance to find. However I think this legislation has come up with a reasonable balance. It is one that we will be looking at very closely in the committee.

There are some other elements in the bill as well. For example, other measures include that the corporation's line of credit will be increased to $6 billion from $3 billion. That is money which the corporation lends at market prices to carry out such duties as financing a merger or compensating depositors or shareholders or debt holders. Since 1987 the level of deposits of the Canada Deposit Insurance Corporation has increased by more than 50 per cent. That makes it necessary to increase this line of credit.

Another important measure contained in this bill will mean that bank and trust company staff will be able to tell their customers which products are insured under Canada deposit insurance. As it presently stands, Madam Speaker, if you go into a bank or a trust company and you want to find out what particular products are insured under Canada deposit insurance, they cannot tell you. All they can do is give you a pamphlet. Sometimes those pamphlets are very confusing. Sometimes it is very difficult to know just exactly what is included, what you can have insured up to $60,000.

This is a very important step. It is going to make it much more convenient for customers because they will be able to ask personnel at the bank or the trust company and receive an answer as to yes, it is insured or no, it is not insured.

This legislation affects banks and trust companies. It is interesting to read their comments on how they feel about regulators getting this massive power which seems to give Draconian powers to the federal government through the Canada Deposit Insurance Corporation.

For example, the trust companies association president, John Evans, said on February 3 in *The Globe and Mail*: "We are encouraging the government to proceed and get this through. Our sense is there is some urgency. This bill provides the powers the Canada Deposit Insurance Corporation needs to come to a quick resolution of problem institutions".

The Canadian Bankers' Association is on record as saying that it agrees with the concept of this legislation. It would prefer a more comprehensive review of the role and operations of the corporation. It notes that in 1985 the Wyman report recommended sweeping changes to the corporation which would, among other things, result in higher insurance premiums for riskier financial institutions. In other words, the riskier a financial institution was, the higher the premium it would have to pay.

This legislation appears to be reasonable. We will have to examine it in detail in the committee. However, one of the things that is not reasonable is the fact that this government took six years to bring in this legislation, from the time of the blue paper in 1986 which first described the process we are now discussing in this Bill C–48. Now we have the legislation before us and the government wants to pass it by the end of the month.

What I am saying is that the government has taken six years to take the recommendations from the blue paper and incorporate them into legislation, but it wants it passed by the end of the month.

The question is: Why did the government not come forward sooner with this legislation? Why did it take six years on a matter of such obvious importance to the Canadian financial institutions? The customers of at least one financial institution might have been better off if the government had not taken its time in introducing Bill C–48.

The financial papers today are reporting almost daily how the sale of 48 branches of Central Guaranty Trust to National Bank is being held up by creditors and possibly by shareholders and how the regulator is against the sale.

While these negotiations continue behind closed doors, the customers of Central Guaranty live in uncertainty over what is going to happen to their institution.

On a broader level, why is the government not acting on the broad recommendations of the 1985 Wyman report? The federal government commissioned the report, yet seven years later it is still on the shelf gathering dust.

A third problem with the government's approach is that the Canada Deposit Insurance Corporation has no power to seize a provincial incorporated institution that might be on the verge of bankruptcy, even though it insures the deposits of the institution.

Of course the reason for this is that the government has made practically no progress in harmonizing its financial regulations with those of the provinces.

During the sweeping financial reforms that we dealt with last fall in this House and in the finance committee, we heard trust companies, banks and insurance companies pleading with the government to talk to the provinces to come to some agreement on harmonizing financial regulations.

• (1640)

At the moment, these companies often have to deal with 11 regulators and 11 sets of rules. This means incredible duplication and red tape and, of course, the cost of that. We can imagine the cost of dealing with 11 regulators and 11 sets of rules, but the cost really is passed along to the customers.

In a speech last week, the Canadian Bankers' Association president, Helen Sinclair, said the overlap of federal and provincial powers is costly and confusing. She said: "This is very important. When rules differ, confusion reigns".

Certainly we in the Liberal Party have been pressing the government time after time to speed up talks with the provinces on harmonization for financial institutions.

I just want to conclude my remarks on Bill C–48 by restating my party's initial support for the second reading of this legislation. It will help to protect the stability of the Canadian financial system and will not infringe unreasonably on the rights of shareholders and debt holders.

Some work still needs to be done. We will need to consult with the financial services industry to hear their detailed concerns and also their recommended improvements.

The government certainly needs to step up its harmonization talks with the provinces.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, as you discuss the thrust of the bill being debated before Parliament today with people, their eyes usually glaze over and they think that it is another banking bill that really does not concern them. They have a tendency to not want to listen.

You must consider the background of the Canada Deposit Insurance Corporation, the reasons for its existence, and what has happened in the United States over deregulation, and now with the new banking regulations. We have seen some of the problems, particularly through the 1980s, in our trust companies and closely held banks. It is very clear that the banking legislation and this legislation before us affects every one of us.

What is the Canada Deposit Insurance Corporation? I think the minister touched on it briefly, but it is interesting and I think it will be worth while in my remarks to touch on it a little bit more for those who are watching and read from the corporate profile of the Canada Deposit Insurance Corporation.

It states:

> The objects of the Corporation are to provide insurance against the loss of part or all deposits, to be instrumental in the promotion of standards of sound business and financial practices for member institutions, and to promote and otherwise contribute to the stability and competitiveness of the financial system in Canada. These objects are to be pursued for the benefit of persons having deposits with

member institutions and in such a manner as will minimize the exposure of corporations to loss.

To fulfil its objects, CDIC may, among other things, acquire assets from a member institution; make or guarantee loans to a member; make or cause to be made inspections of member institutions; prescribe standards of sound business and financial practices for members; and act as a liquidator, receiver or inspector of a member institution or subsidiary thereof.

This particular object of the Canada Deposit Insurance Corporation I think is one that most of us in this House agree with. Certainly in my party, we agree with the object of the protection and the ability of such an institution to move in and insure the deposits, particularly those of our minor depositors, shareholders and debenture holders.

My friend from the Liberal Party has pointed out the problem of harmonization which I will touch on later.

There are, I believe, 35 provincially incorporated financial institutions that are also covered by the Canada Deposit Insurance Corporation. Yet CDIC does not have the same power to move in as it does with federally instituted organizations. I identify this as a potential problem for the whole situation concerning Canadian deposit insurance.

If we look at the bill now before the House, I believe the principle of the bill will assist all depositors and will assist banks and financial institutions in overcoming a problem that they have run into over the last little while.

To demonstrate the problems they have run into over the last little while we only have to note the failure of the Canadian Commercial Bank the Northland Bank, the Mercantile Bank, the Continental Bank, and Principal Trust. They affected each and every one of us and made us realize that we have to go a step further than we have so far to try to protect our financial institutions.

The Canada Deposit Insurance Corporation was instituted in approximately 1967 and is used by many banks. Over that period of time we can see some problems arising, as demonstrated by a recent article by Karen Howlett, financial reporter for *The Globe and Mail*, on February 3 of this year. She tells us that the Canada Deposit Insurance Corporation ran up a deficit of $642.6 million as of December 31, 1990 as a result of rescuing several companies in the eighties, and that does not include Standard Trust Co. which collapsed last year costing the agency more than $1 billion, the single most expensive bailout in CDIC's 25—year history. CDIC provided another $445 million in loans and guarantees for last month's rescue of the First City Trust Company.

She goes on to say: "The troubled state of many companies is also fuelling debate in the industry over how CDIC finances its bailouts. The agency collects premiums from the industry, one–tenth of one per cent of the total insured deposits, for a total of $271 million in 1990". She says that most of the burden has fallen to taxpayers. CDIC borrowed about $1.2 billion from the government's consolidated revenue fund as of December 31, 1990.

Under this bill, as has been pointed out by the minister and my friend from the Liberal Party, the government is extending the CDIC's ability to borrow from the consolidated revenue fund, by extending its limit from $3 billion to $6 billion in order to support what has been an increasing burden within the Canada Deposit Insurance Corporation.

I would suggest that, given what we went through just prior to the Christmas season with our four major banking bills and the breakdown of the four pillars of the banking institution within Canada, with this bill we are going to reap some of the unfortunate costs of those pillars falling.

As my friend from Nickel Belt has said in speaking on the banking acts, the Hulk Hogans, the wrestlers of the banking community, are now turning into the sumo wrestlers of the banking community. Where there were a number of Hulk Hogans there will now be one, two or three major sumo wrestlers who will slowly take over the banking community as a result of what we have seen occurring. The breakdown of those pillars gives those large banks, in particular the five major banks within Canada and some of the other major trust companies and insurance companies, the ability to take over those smaller banks, those smaller closely held financial institutions, and those smaller trust companies that cannot make it in a deregulated system.

• (1650)

To some extent the changes within this bill are a reflection of the problems that we have predicted within the banking legislation. They will lead potentially to the large ones taking advantage of the system we have set up to gobble up some of the smaller failing trust companies, some of the smaller failing closely held financial institutions, once again proving that the larger will become larger and the smaller financial institutions will cease to exist.

It seems to me in the interests of the larger financial institutions to sit and wait and use the merger terms to be set out within this legislation to their benefit, to wait until the share structure goes down to buy up the shares of the financial institutions with the blessing of CDIC and use an injection of funds from the Canada Deposit Insurance Corporation to assist in refinancing and restructuring within that merger.

That is one of the problems I see with this legislation.

The advantage of the legislation is also within that same section in which the Canada Deposit Insurance Corporation has the ability to ensure that shareholders and dividend holders do not take advantage of the system. When certain conditions occur, the Superintendent of Financial Institutions, the Minister of Finance, and the Canada Deposit Insurance Corporation can take certain actions to ensure that they can take over the ownership of that company—in other words, the ownership of that financial institution that is in trouble and is no longer a viable institution—thereby ensuring that shareholders who perhaps have nothing to lose by letting the company go down further and hold out for a higher amount of money for their shares will be stuck with accepting a deal with the Canada Deposit Insurance Corporation and will be assured of only receiving the value of the shares. That is a positive.

That perhaps insures depositors' savings, as we have seen in the past with the takeover by the Bank of Hong Kong of the Bank of British Columbia in which a merger was worked out. Although I believe it cost $240 million to the Canada Deposit Insurance Corporation, it in fact saved a failure of a bank that was having problems, a provincially incorporated bank that was having problems, and would perhaps have failed with the result that depositors could not have got their money out.

As one who has lost money to uninsured deposits within certain financial institutions, I applaud what has been called a minor part of this particular bill which ensures that the financial institutions are able to notify their customers properly whether the deposit they have made in the institution is properly insured.

It is often in talking to people since I have been a member of Parliament and prior to that in my past occupation as a lawyer, where I have found out that many people, often seniors with small amounts of money, would deposit the money in financial institutions or in trust companies where they felt that they would get a better return on their money only to find out, often too late as in the case of some of the trust companies and financial institutions that have failed, that they were not insured by CDIC.

This is a positive step in ensuring that the CDIC member institutions will be able to provide their customers with more information with respect to deposit insurance. I applaud this move, as will people within Canada.

Let me move quickly, Madam Speaker, to what the Superintendent of Financial Institutions will be looking at in trying to see whether or not a financial institution is still viable. In looking to see whether a merger or sale of the company is viable, the CDIC and the Superintendent of Financial Institutions will look at whether that company has ceased or is about to cease to be viable, whether it is independent and relies to an excessive extent on loans to sustain its operation or has lost the confidence of the depositors and the public and whether it has regulatory capital or is about to become substantially deficient.

Under section 39.1 and throughout, it sets out the various steps that will be taken once that comes. There are 12 particular steps. I will not go through them all but I will highlight a couple of them. First of all, the troubled federally regulated institution reports major losses and OSFI, the Office of the Superintendent of Financial Institutions, will explore with the company measures to strengthen the institution. When it is deemed that there is an appropriate situation for restructuring, CDIC may recommend to the minister that a restructuring order be made, vesting the shares and the subordinated debt of

that institution in the Canada Deposit Insurance Corporation.

CDIC will inform the shareholders and the subordinated debt holders of the fact that this particular step has been ordered and they will offer compensation to indicate that there will be no compensation to be offered. The shareholders and subordinated debt holders can accept or reject CDIC's offer and those who accept the offer are entitled to the amount offered and are not party to any assessment procedure which may take place.

If fewer than 10 per cent reject CDIC's offer, all shareholders and subordinated debt holders will receive the compensation offer. If there are 10 per cent more of the class that reject the offer, then an independent assessor is appointed. I think that is a positive step.

This idea is to ensure that there are not the major losses that we have seen in the past in shoring up, even though it may cost CDIC some capital and some money to get it going. Certainly the losses will be substantially fewer than the potential losses in things such as the Principal Trust, Northlands Bank, et cetera.

I referred earlier to the matter of harmonization. It certainly is a question that has arisen time and again with the banking legislation and I suggest, as has my friend from the Liberals, that in this particular case once again we are running into the problem with the harmonization between provincially regulated institutions and federally regulated institutions.

In this particular case, even though there are 35 provincially regulated financial institutions that are insured under CDIC, the financial institution restructuring process that is one of the major thrusts of this amendment cannot be brought to bear on the provincially instituted institutions. This legislation fails totally to address that particular issue. The paper put out by the government at our briefing session simply says: "Will CDIC's power under the FIRP legislation extend to provincial deposit taking institutions? Can CDIC take over a provincial led institution? The answer is simply no. Only federally regulated deposit taking institutions will come under the new legislation".

• (1700)

Without that harmonization, once again we have the uncertainty of the depositors, the uncertainty of the shareholders and dividend holders. Most people do not know whether the institutions they are depositing their life savings in are federally or provincially regulated institutions. They see a big building. They go in, the people are nice and they deposit their money. They say: "Is my money safe here?" "Oh, yes, we are all covered". They go away thinking their money is totally insured and they do not have a problem. It is not until we have a failure and these people who have worked for years and years and saved toward their retirement find out that they are totally without insurance and are left without their life's savings.

I would suggest it is not a very nice feeling for many of these people who have lost funds through some of these failures in western Canada, to have worked their lifetime and seen that security dissolve when they thought they were insured. They thought that once they deposited their money with an institution there was some expectation that it would make money and assist them in their retirement years.

Some agreement with the provinces must be looked at to ensure that it falls under FIRP and is regulated more closely by the CDIC legislation.

Another thing I would like to point out is that the relationship between CDIC, the insurance function and OSFI, the Office of the Superintendent of Financial Institutions, the regulatory function, is not clear. As my friend from Nickel Belt has often pointed out, we know that OSFI and CDIC have a close working relationship, but is that working relationship that of Siamese twins or is it of a Dr. Jekyll and Mr. Hyde nature? Under this legislation it appears that the Office of the Superintendent of Finance Institutions is losing ground to CDIC.

The other issue is the wish to know who controls CDIC. With the expansion of CDIC's board we have the chartered banks being allowed as part of the regulatory body. Perhaps with more of those senior officials being from the banks, that representation may skewer exactly where we should be going.

I suggest that the legislation in principle is good legislation which can be supported by this party. However, there are some changes that must be made during

committee work that will make it better for shareholders, dividend holders and depositors as well as the institutions that are covered by CDIC.

In conclusion, I simply say we can support the bill at second reading. Hopefully the government will pay attention to projected changes that we will make.

Mr. George S. Rideout (Moncton): Mr. Speaker, it is a pleasure to speak on this particular bill. As has been indicated by my colleague from Malpeque, we will be supporting this legislation as it goes through second reading and look forward to studying it in committee. This legislation is long overdue, particularly when you look at the fact that Mr. Justice Estey submitted a report a number of years ago.

We have been waiting for that report for a long period of time in order to see something take place. I believe the date was in 1986.

The bulk of the recommendations that Mr. Justice Estey made are now encompassed in this legislation. One wonders why all of a sudden we are in this hurry-up mode when it has been roughly five years since those recommendations have been made.

The problems have existed for a number of years, and the government could have acted quickly if it wanted to. We might have averted some of the problems had the government taken the time to move quickly. Instead, we see it going the other way, waiting and crisis management.

Now we are facing another crisis management situation dealing with Central Trust. The shareholders are about to vote and we are rushing legislation off to committee and looking for ways to plug the holes in the dike, rather than having good, constructive legislation. For that reason we want to co-operate because I think there is a benefit from this legislation. It is just unfortunate that this benefit could not have been around earlier to help others.

As my colleague from Malpeque has said, the main purpose of this bill is to block the system where shareholders can do things to their advantage and to the disadvantage of depositors and other players in the system. That is one of the major intents of the legislation.

On its face, it is good legislation. The problem that we face under the existing situation is that as soon as the Superintendent of Financial Institutions starts to investigate an institution, it is like announcing the death-knell of that institution. Depositors start to flee that financial institution for fear of losing their life savings or any investment in that institution.

Once the media carries the news that such and such a financial institution is shaky, that the superintendent is looking at it, that there are grave concerns as to its viability and all of those types of comments, then that institution is in trouble.

In every case, I believe, they have ultimately failed in some way and either have been bought out or, as in the case of Central Trust, some financial institution has come and cherry picked. They pick the best parts of it and leave the dregs for those minor shareholders and players who will ultimately suffer the greatest loss.

In that sense, this legislation is a positive step. It will allow the superintendent to come in and take the steps necessary to preserve the assets and perhaps even to preserve the company. Obviously that is a good and sound approach.

In that sense we are certainly not opposed to that measure. It becomes a measure that falls half way between the extreme of letting a company go down the drain, taking all the depositors and deposit insurance guarantees that have to be paid as a result of that along with them.

The other extreme is to have the superintendent force that situation by acknowledging they are involved in an examination of the company. This strikes a bit of a middle ground.

The problem is that it is done very quickly. In some sense, I am sure people will say that is a good idea and will preserve the institution. As we go through the scenario of things that could take place, it is almost like a Friday afternoon and Monday morning type situation. Everything is going to be done over the weekend.

The depositors and shareholders are not going to feel very pleased about that because it is so quick. A lot of it is going to be done quickly behind the scenes and not up front. One has to wonder whether the superintendent and the deposit insurance organization has been given too much power. What kind of controls will be on them?

Literally they can move on Friday and put together a deal over the weekend. People will find out about it on

Monday morning. That to me does connote some problems because of the speed in which that could take place. It is almost the speed in which this legislation has now been brought forward, because of the impending situation with National Bank cherry picking the good assets of Central Trust and leaving the dregs for others.

• (1710)

We on this side obviously want to co–operate with the government because we do see the benefits of this legislation. In the specific case of dealing with the institution that we hear about, this legislation could have some benefits to all of the players. Many small investors have put money in that organization, not just depositors. Grant it, they take the risk. Any time one buys stock on the stock market and is involved in that process one takes some risk. Many small investors with RRSPs and other investments are involved and run the risk of losing a portion of their RRSP or their investment because of decisions that might be taken.

This legislation will move in a positive sense by trying to control this situation. The bill allows CDIC to go around the major shareholders and allows a situation where the majority of smaller shareholders might benefit otherwise. It might be to the exclusion of different categories of shareholders so that the rich shareholders will benefit and the others will not.

There is a positive side to this legislation. That is why we are anxious to see it move on to committee. But we do have some concerns. When one looks at the legislation it does seem to be protecting shareholders and allowing a financial institution to stay viable. It really does not seem to be doing anything for depositors. As soon as there is a concern about a financial institution, the depositors move very quickly to take their resources out, which really precipitates the demise of that financial institution. If we could find ways to give the depositors a sense of confidence and a sense of trust, maybe these financial institutions would not be in the same circumstances and the same difficulty.

There is nothing in this legislation that deals with that. There is nothing in this legislation that gives confidence to the depositors. It essentially deals with the big financial institutions that are shoring up a financial institution in trouble. It deals with some of the major shareholders. It does not deal with the little shareholders and it really does not deal with the depositors.

The area of harmonization has been referred to earlier and I think it bears repeating. We saw it when we considered legislation on financial institutions, banks, trust companies, insurance companies, credit unions, caisses populaires and the like. There is a dangerous situation in this country as it relates to financial institutions, that two levels of jurisdiction are regulating financial institutions. Helen Sinclair probably said it best when she said: "When rules differ, confusion reigns".

This is what we are actually seeing here with financial institutions. As we go through the constitutional debate, I am sure there will be more pressing problems and issues. If there were some way to develop some harmonization with our financial institutions then it would all be to the better.

This legislation will only deal with federal institutions. There are many provincial institutions that will not be touched by it. Therefore we still run the risk of seeing another Principal Group or another Northland Bank–type situation.

We have to go back and grapple with the issue of harmonization and deal with it.

We also have to take a look at the Office of the Superintendent of Financial Institutions and CDIC taking over this new role as this legislation comes to the fore. Do they have the resources and the people in place to deal with what is involved? They will move very quickly. They will try to put together new deals very rapidly, as I said over the weekend. Do they have the resources to know how to put that together and the background to see that it is actually going to take place?

I confess that all politicians, except for the Speaker, of course, tend to talk about things we know very little about. From the little I know they run a lean mean machine at the OSFI office.

I am not sure whether they, working with CDIC, are going to have those resources to put into place. That is what will come out of our committee discussions to ensure that is the case and that the department, as well as CDIC, will have the resources to deal with this situation.

The other thing which I think is an obligation arising out of the committee study of this particular matter is that we have to try to ensure as much as possible that things are not done behind people's backs, that the system appears to function so that everyone has a say and everyone knows as much as possible what is going on. Again, the committee is going to have to look at that aspect of it to make sure that they do not go to bed one night and wake up the next morning to find out that they are now a shareholder in another organization and it is an organization that they did not want to be associated with.

In conclusion, we on this side are supportive of this legislation because we think that it will provide some benefits to Canadians and to people who invest in financial institutions and people who are depositors in those institutions. But there is still much to be done. We have to restore the confidence of Canadians in our financial institutions. They have been sorely tested.

All we have to do, and I digress, is to consider that banks are making profits in the vicinity of $3 billion or $4 billion while the rest of the country is going to hell in a hand basket. We wonder about financial institutions and what is actually going on and why there is that kind of resource and that kind of profit taking going on in financial institutions and yet others are allowed to get into the types of problems that we see. I think there is an obligation on the financial institutions themselves to be contributors to this process and to make sure that it works.

We on this side will be supporting the legislation to go to committee. We look forward to working with the different organizations that are involved in making this legislation better legislation.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance.

The Acting Speaker (Mr. Paproski): I believe there is unanimous consent to call it eight o'clock.

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): It being eight o'clock p.m. this House stands adjourned until tomorrow at ten o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 5.18 p.m.

HOUSE OF COMMONS

Thursday, February 6, 1992

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PUBLIC SERVICE STAFF RELATIONS BOARD

TABLING OF 24TH ANNUAL REPORT

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Mr. Speaker, on behalf of the President of the Queen's Privy Council, I have the honour of tabling, in both official languages, the 24th annual report of the Public Service Staff Relations Board for the year ending March 31, 1991.

* * *

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

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

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

INCOME TAX ACT

MEASURE TO AMEND

Mr. David D. Stupich (Nanaimo—Cowichan) moved for leave to introduce Bill C-329, an act to amend the Income Tax Act (exemption of wages from garnishment).

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Stupich: Mr. Speaker, under section 224 of the Income Tax Act, if the minister becomes aware of wages payable to a tax debtor, the minister has the right to seize up to 100 per cent of those wages until the debt is completely paid off.

This bill proposes to amend that section of the act so that a certain proportion of wages will be left to the tax debtor to live on in the meantime.

The Acting Speaker (Mr. Paproski): Mr. Stupich moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and ordered to be printed.

* * *

EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I will attempt today to move two motions that I was unsuccessful with yesterday.

The first one is a travel motion on the arms export subcommittee. I move:

> That, notwithstanding the order made on December 3, 1991, the subcommittee on arms export of the Standing Committee of External Affairs and International Trade be authorized to travel to Winnipeg and Victoria from March 23 to 27, 1992 instead of February 10 to 14, 1992.

Motion agreed to.

Routine Proceedings

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

REFERENCE TO COMMITTEE OF ANNUAL REPORT

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, in reference to a committee, I move:

> That, notwithstanding any order or practice of this House, the annual report of the Department of Indian Affairs and Northern Development for the fiscal year ending March 31, 1991, which was deemed referred to the Standing Committee on Aboriginal Affairs on February 3, 1992, be deemed referred as well to the Standing Committee on Industry, Science and Technology, Regional and Northern Development.

Motion agreed to.

* * *

PETITIONS

GOODS AND SERVICES TAX

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I rise under Standing Order 36 to present a number of petitions with thousands of names of people from rural Canada who are petitioning this government to zero rate water for potable supply.

Mr. Speaker, as you know, when the GST came in unfortunately it put a tax on water in rural Canada. These Canadians, in fact Canadians throughout Canada, want this government to take the GST off water.

GUYANA

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Mr. Speaker, I am delighted to present a petition pursuant to Standing Order 36 based on the human rights violations in Guyana. I must say that this petition was generated by a couple, Mr. and Mrs. Erb, who spent some time in Guyana and observed firsthand the problems in its elections. They urge the Government of Canada to consider making conditional any future development assistance to Guyana on the holding of fair and free elections by May 30, 1991.

PUBLIC SECTOR WORKERS

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I rise under Standing Order 36 to present some petitions signed primarily by residents of the Prince George, B.C. area but other parts of British Columbia as well. The petition calls upon Parliament to respect the collective bargaining rights of public sector workers and also expresses concern about the further contracting out of jobs in the public sector.

CANADA POST

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I rise today pursuant to Standing Order 36 on behalf of the residents of the city of Penticton, British Columbia, who are outraged at the possibility and the notice that they have had that their post office will be closed.

Almost one-half of the members of the community of Penticton are petitioning Parliament through me, stating that Canada Post is closing and privatizing post offices. Canada Post will be closing the Penticton post office on February 10, 1992 and converting this post office to a commercial service centre only for commercial use.

The petitioners are asking Parliament to stop this closure and the privatization of postal services and to ensure that the citizens and taxpayers of Penticton, British Columbia have a full service post office which is directly run by Canada Post Corporation.

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour and indeed a privilege to present a petition on behalf of a number of constituents from the North Thompson valley in British Columbia who are concerned about the intentions of a Vancouver-based company with connections in Los Angeles to build a dam and divert the North Thompson River partly into the United States.

The petitioners are asking that the Canadian government state categorically once and for all that the rivers of Canada are not for sale.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, residents of Kamloops, British Columbia and two or three of the surrounding rural areas are concerned about the inadequate funding for the Royal Canadian Mounted Police.

The petitioners are concerned about the increasing level of lawlessness as they define it in their communities, and they are asking that the federal government

take whatever steps are necessary to ensure that the RCMP is properly funded.

NORTH THOMPSON RIVER

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, it is my privilege to present a petition concurrent with that presented by my colleague from Kamloops.

A number of my constituents from the city of Nelson, the villages of New Denver and Silverton, and the communities of Winlaw and Hills refer to the fact that Multinational Resources has announced the intention to dam the North Thompson River at Belmont to divert water to the Salem–San Diego, California area.

The petitioners urge the Government of Canada to state categorically that it will not permit our freshwater rivers to be dammed and diverted into the U.S.A. and to state that our Canadian rivers are not for sale.

PUBLIC SECTOR WORKERS

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, the second petition that I am very pleased to present, especially in view of some current events outside of this House, is a petition signed by some 137 of my constituents from virtually every community within my riding.

The petitioners point out that in recent months, the federal government was violating terms of its collective agreements with its own employees by contracting out the work of Public Service workers. Their belief is that the federal government was violating the human rights of its workers by not paying equal pay for work of equal value.

The signatories to this petition urge the Government of Canada to obey its own laws in future and to bargain in good faith to the loyal and hard-working, and world-respected public servants who are employed by the Government of Canada.

IMMIGRATION

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I have the pleasure to introduce a petition to this House on behalf of Canadians who are urging the government to take action when it comes to the thousands of refugees who are in Canada and who are trapped in the backlog.

Many of these refugees are suffering from personal and economic hardship. As their future is being decided, their families abroad are really in a very difficult situation.

These petitioners call on the government to step up its actions when it comes to refugees and at the same time exercise compassion.

GASOLINE PRICES

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I have the privilege to rise this morning in this House and present a petition of 50 signatures by Canadians who are upset at the price of gas.

The petitioners want to draw the attention of the House to the fact that gasoline prices are higher than they believe they should be.

• (1020)

Some provinces have eliminated the vehicle licence fees for parts of the provinces so that gas disparity can be overcome.

These petitioners call upon Parliament to urge the government to correct this injustice to motorists.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, my gallant and hon. colleague from Bonavista—Trinity—Conception has presented a petition along the same lines as the one I have.

It is signed by numerous residents of the Ottawa region, including Old Chelsea, Quebec; Smith Falls, Ontario; Ottawa, Ontario; and Gatineau, Quebec. These petitioners are opposed to the high gas prices being charged in this region, particularly the differences between here and southern Ontario. They call upon Parliament to urge the government to correct this injustice for Ottawa area motorists.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the following questions will be answered today: Nos. 51, 147, 182 and 192.

[*Text*]

Question No. 51—**Mr. Skelly (North Island—Powell River):**

With respect to mail delivery (*a*) does Canada Post intend to discontinue the use of relief letter carriers who act when regular letter carriers are absent, and, if so, will mail be delivered on that route when the regular letter carrier is absent (*b*) does Canada Post intend to establish the principle that they do not have an obligation to deliver the mail every day from Monday to Friday and, if so, does it not accept the principle that Parliament has imposed an obligation on Canada Post to have such delivery?

Hon. Andre Harvie (Minister of State and Leader of the government in the House of Commons): Insofar as Canada Post Corporation is concerned:

(*a*) It is Canada Post's intention of reducing, where possible, all hours paid but not used in productive work. Where an employee is absent, that route will be delivered by the order of priority contained in the collective agreement.

(*b*) Canada Post has every intention to deliver all committed mail, Monday to Friday.

Question No. 147—**Ms. Copps:**

Since September 26, 1985, with respect to Henriette Haddad's kidnapping, was action taken by the Department of External Affairs and, if so, (*a*) by whom (*b*) who was approached (*c*) what is the nature of this action?

Hon. Barbara McDougall (Secretary of State for External Affairs): Please see attached a list entitled "Chronology of Events" describing actions undertaken by External Affairs and International Trade Canada and indicating:

(*a*) who initiated the action,

(*b*) who was approached, and

(*c*) the nature of the action.

RE: HENRIETTE HADDAD—MISSING

CHRONOLOGY OF EVENTS

30 Sept. 85—Consular Operations telexed Canadian Embassy Damascus to report the disappearance and to request the embassy to seek assistance in locating Mrs. Haddad from its contacts.

04 Oct. 85—Locally engaged staff in Beirut were advised of the disappearance and requested to make enquiries.

08 Oct. 85—Beirut locally engaged staff confirmed that they had advised officials of AMAL (the Shiite pro-Syrian militia) and PSP (Druze military faction) of the disappearance and that theses officials had quote promised to look for her unquote.

14 Oct. 85—Canadian embassy in Damascus reported that there was a strong suspicion that the kidnapping was directed not to Haddad but to her passenger on some private matter.

25 Oct. 85—Telexes were sent from Ambassador Jacques Noiseux in Damascus to Nabih Berri and Marwan Hamade, senior representatives of AMAL the Shiite pro-Syrian militia, and the PSP Druze faction respectively, enlisting their assistance in locating and releasing Mrs. Haddad.

30 Oct 85—Canadian Embassy Damascus was advised by Beirut contact that extraordinary efforts were being make in West Beirut by AMAL (as well as the Syrians) to discover the whereabouts of Mrs. Haddad and her companion. It was learned that the latter had been forced to sign and endorse several personal cheques and recipients of those cheques, allegedly eight persons suspected of being members of Hizbollah.

01 Nov. 85—Canadian Ambassador Noiseux in Damascus met Druze PSP Leader Walid Jumblatt and Marwan Hamade. PSP leaders committed themselves to do everything possible to assist in locating Mrs. Haddad. The Ambassador thanked them and emphasized the importance which the Canadian Government attaches to this matter.

19 Nov. 85—Telegrams were sent from Ambassador Noiseux to religious leaders of Hizbollah, Sheikh Mohammed Mahdi Chamseddine and Sheikh Mohammed Hussein Fadlallah expressing the Canadian govt's deep concern for Mrs. Haddad and seeking assistance in determining her whereabouts and well-being, and in expediting her release.

02 Dec. 85—A letter was received by Ambassador Noiseux from the office of Sheikh Fadlallah indicating that Mrs. Haddad was not of their concern, that they were opposed to all acts of kidnapping, and that they would make enquiries from friendly sources and others.

14 Feb 86—A diplomatic note was sent to Syrian Ministry of Foreign Affairs conveying Canada's deep concern for Mrs. Haddad, and informing that she was

believed to have been seen by a recently released fellow detainee. She was reported being held in Basta, Fath Allah Street, West Beirut and that the person responsible for her abduction was a member of the Hizbollah organization. The Canadian Embassy requested the assistance of the Syrian authorities in effecting her release.

24 Aug. 88—A diplomatic note was sent to the Iranian Embassy in Ottawa requesting assistance in the matter of the abduction of Mrs. Haddad.

07 Nov. 88—A diplomatic note was sent to the Iranian Embassy in Ottawa to the effect that Mrs. Haddad was not being held by Hizbollah and that they had no information concerning her whereabouts.

31 Aug. 90—Telephone call from Constantin Haddad followed up by letter of same date advising he had information to the effect his mother would be released within 20 days and requested that travel documentation be prepared for her return to Canada. This information was relayed to the Canadian Embassy Damascus by telex of 04 Sept. 90 with instructions to offer required consular assistance.

29 Oct. 91—A diplomatic note from Canadian Embassy Damascus was sent to the Lebanese Ministry of Foreign Affairs soliciting assistance in the search for Mrs. Haddad.

31 Oct. 91—A letter was sent to the United Nations Secretary-General's Assistant for Special Assignments, Mr. Giandomenico Picco, from Canada's Ambassador to the UN, Mr. Yves Fortier, soliciting assistance in locating Mrs. Haddad.

11 Nov. 91—A letter was received by Ambassador Fortier from Mr. Picco assuring that the Secretary-General attaches great importance to the safe release of all hostages and abducted persons, and will continue to pursue his efforts until the problem is resolved.

26 Nov. 91—A meeting was held by the Minister's Chief of Staff, Ruth Archibald, with Constantin Haddad accompanied by two members of the committee formed to free Mrs. Haddad, Mrs. Angéline Fournier-Tombs and Mr. John Humphrey. Assurances of the Department's determination to pursue all leads towards a final solution were given to the committee.

06 Dec. 91—Cdn Ambassador to U.N. met with Iranian chargé d'affaires to U.N. Follow-up letters were sent to Iranian, Syrian and Lebanese Heads of Missions the same day.

09 Dec. 91—A diplomatic note was sent by Canadian Embassy in Washington to the U.S. State Department asking them to ask the returning U.S. hostages if they have any knowledge of Mrs. Haddad's situation. The matter was raised informally this week during a meeting on another issue.

10 Dec. 91—Canadian Ambassador to Lebanon and Syria, Martin Collacott, met with Lebanese officials in Beirut. The Minister of the Interior gave assurances that he was taking this matter very seriously and expressed his commitment to gather information for a final report.

The Minister of Foreign Affairs promised the full cooperation of his ministry in transmitting any useful information.

Sheikh Fadlallah, the spiritual head of Hizbollah, denied any knowledge of Mrs. Haddad, reiterated that Hizbollah is not involved in the taking of hostages, Lebanese or foreign; however, he promised to communicate to the Canadian government any information which his organization might be able to obtain.

Question No. 182—**Mr. McGuire:**

With respect to the recent crash of the CC130 Hercules near Alert, N.W.T., were CH113/113A Labrador helicopters sent from Gander, N.S., Greenwood, N.S., and Trenton, Ont. to the crash site, and, if so (*a*) where were these helicopters at the time of the rescue of the survivors (*b*) what type of helicopter was used to transport the survivors (*c*) does the government intend to replace the CH113/113A in the next few years?

Hon. Marcel Masse (Minister of National Defence): As part of the response to the crash of a CC-130 Hercules aircraft near Alert, N.W.T., CH-113/113A Labrador helicopters were sent from Gander Nfld, Greenwood, NS, and Trenton, Ont.

a) At the time that the CH-135 Twin Huey rescue helicopter arrived at the crash site (see b below), the disposition of the three Labrador helicopters was as follows:

(1) The Labrador from Gander was unserviceable in iqaluit (Frosbisher Bay) NWT as a result of mechanical problems encountered while en route to the crash site;

(2) The Labrador from Greenwood was back in Greenwood as it was forced to return due to weather; and

(3) The Labrador from Trenton was flying to the crash site and was approximately 3 hours south of Eureka, NWT, over Ellesmere Island.

b) The helicopter used to evacuate the survivors was a CH-135 Twin Huey from 408 Squadron, CFB Edmonton, which had been transported by a CC-130 Hercules to Alert as part of the Major Air Disaster Response Plan.

c) The fleet of CH-113/113A Labrador helicopters is scheduled to be replaced by up to 15 new Search and Rescue helicopters between 1998 and 2001.

Question no. 192—**Mr. Mifflin:**

With respect to the LLADS (Low Level Air Defence System), in the statement of requirement (*a*) what is its purpose (*b*) what is it designed to defend and against whom (*c*) what is the total project cost of the Program in 1991 (*d*) how much has been spent and how much equipment does this represent (*e*) what is the planned spending on this project (i) in future years (ii) how much equipment does this represent (*f*) what is the projected annual PO and M cost?

Hon. Patrick Boyer (Parliamentary Secretary to Minister of National Defence): a) The original purpose was to provide a modern and effective air defence capability for the Canadian Forces personnel and equipment assigned to NATO. The purpose is now being adjusted in line with Government policy announcement of last September. The air defence equipment will now serve to protect Canadian Forces personnel and equipment in newly defined roles and tasks, such as the potential expeditionary commitments of a land brigade and two squadrons of CF-18 aircraft.

b) LLAD is designed to protect army formations (such as brigades) or vital assets (such as airfields, aircraft, or other installations) against a low level air threat. This threat could come from high performance aircraft, helicopters or other aerial vehicles.

c) The Treasury Board approved total project cost was $1.135M, though it is anticipated that the project will be completed significantly under this original budget estimate.

d) Previous years' expenditures total $495M and an additional $170M has been budgeted for this fiscal year (FY 91/92). These sums represent the bulk of prime mission equipment, large stocks of ammunition and logistic support, as well as infrastructure and project management costs. Specifically, it includes delivery of:

a. all Skyguard Fire Control Units (10);

b. all 35mm Twin Guns (20);

c. 18 of 36 ADATS launch Control Equipment;

d. operational and logistic stocks of 35mm ammunition;

e. an initial lot of ADATS missiles;

f. the bulk (over 90%) of logistic support for the Twin Gun and Skyguard Fire Control Units;

g. a small percentage of logistic support for ADATS; and,

h. related construction.

e) Eighteen ADATS units are being assembled and tested and remain to be delivered along with the bulk of spares, test equipment and other support items needed to maintain ADATS throughout its life. Planned expenditures for future years are estimated at approximately $350M.

f) It has been estimated that the operating and maintenance cost for the entire gun system (Twin Gun and Skyguard Fire Control Units) and ADATS would have been approximately $55M per year for the original fielding and operating plans. Obviously, if the future force structure operates a smaller percentage of these two equipment fleets, then adjustment to the O&M estimates will be reflected accordingly.

[*English*]

The Acting Speaker (Mr. Paproski): The questions enumerated by the parliamentary secretary have been answered.

Mr. Cooper: I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

POINT OF ORDER

MOTIONS UNDER S. O. 52

Mr. Speaker: I should advise the House that yesterday the hon. member for Cape Breton—East Richmond on behalf of his party raised a point of order with respect to the rule which governs the Speaker and the House relating to emergency debates.

I indicated at that time it probably would be in the interests of the situation if the matter was heard briefly this morning and I will hear the hon. member in just a moment. .

I should indicate that the hon. member for Algoma, I understand, has an application and I will hear that subsequently. I will hear the point of order first.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today, as I have on two previous occasions to speak on this particular matter. I will deal very briefly with Standing Order 52 and a number of the subsections which are contained therein and also the wide latitude which is given to the Chair in determining whether or not a subject matter is deemed under that particular provision of the Standing Orders.

I read for the Chair paragraph 387 from the sixth edition of Beauchesne's where it says:

> From time to time, this procedure has been referred to as "an emergency debate"; this however is not exclusively the case. Standing Order 52 gives considerable discretion to the Speaker in deciding if a subject is a proper matter to be brought before the House in this way. The Standing Order is clear that the question be specific and must require urgent consideration. It must deal with a matter within the administrative competence of the Government and there must be no other reasonable opportunity for debate. But most decisions based on these conditions are bound to be subjective and few clear cut decisions can be made. In making his ruling, the Speaker may, on occasion, take into account the general wish of the House to have a debate.

I wish to share with the Chair that in the past, members of the government, and I believe the Chair has alluded to this in statements it has made, that somehow, if an emergency debate was granted it would take away from "the timely business of the government". As we all know, the government has a legitimate right to set the agenda of House business.

I suggest, Mr. Speaker, to members of this House that this is not the case. Because the sitting hours of the House have changed, in no way will the granting of a debate under the provisions of Standing Order 52 interfere with the business of the government which it so rightly puts before this House.

The second point is this. In the past members have tried to interpret this provision as a means or as a tool for opposition members to cause delay, using it as a dilatory tactic on behalf of the opposition to impede the government in whatever initiatives it has before the House. That is not the case at all, Mr. Speaker. As I said in my first remark, it in no way interferes with the government and its agenda and in no way could it be deemed or interpreted as a dilatory tactic.

The third point I raise for your consideration, Mr. Speaker, is the concept of reform, the reform which was talked about in the McGrath report which was tabled in this House. The McGrath report reflected the views of the House that more special debates ought to be held. The McGrath report made reference to having more special debates on a variety of subject matters.

Fourth, if this particular provision was granted on a more timely basis, and that in no way reflects upon the previous decisions of the Chair, it opens the possibility for all members of Parliament, not just those in the Official Opposition or independent members, but members of all other parties in this House, to have ample opportunity to participate in special debates.

A number of members, particularly the government House leader and myself, as well as the House leader for the New Democratic Party, have talked about reform. We have seen some reforms in this House over the last 12 months. But what better way is there for this Parliament to reform itself than to have debate on subject matters which members of Parliament feel important?

I give the example, if I may, in concluding, of the debate that is being requested with regard to supply management. It was requested on Monday, it was requested on Tuesday and it was requested on Wednesday by both the Official Opposition and the New Democratic Party. That is a substantial number of members who believe that this matter is sufficiently important to have a debate. It is not a frivolous item; it has profound effects on the supply management system in Canada. It is of great interest, not only to those who are direct investors in the supply management system across the country but I believe it is also of great concern to a lot of Canadians. I think this would be a good example, in the spirit of reform that we at least have talked about in this Chamber, that perhaps the interpretation and discretion as exercised by the Chair may wish to take those thoughts into consideration.

In summary, Mr. Speaker, it is not a dilatory tactic. It does not interfere with the business of the government

in any way whatsoever. It is of sufficient importance that two parties in this House and other members have spoken to this particular issue and have requested it. It is in keeping with the concept of reform maybe not to the letter of reform, but certainly in the spirit of reform, and it would provide an avenue for all members of Parliament to make that claim to the Chair.

I want to thank you, Mr. Speaker, for giving me the opportunity to raise those points. I believe I have kept within the timeframe I indicated to you yesterday, that I would be no longer than five minutes on an issue which I believe is important, not only for our deliberations here today, but indeed in the subsequent weeks and months ahead.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on the same point, I wish to add two or three short comments to the points made by my hon. friend.

• (1030)

I want to begin by suggesting right from the beginning that in no way are my comments to be taken as a criticism of past decisions that Speakers have made regarding debates under Standing Order 52. After all, one of the restrictions is that it must be a genuine emergency. What we are asking, Mr. Speaker, is for you to perhaps place a slightly different interpretation on that term "genuine emergency" than has been placed on it in the past. Perhaps we could have an undertaking to work on a definition in the future.

I simply want to say that Parliament means "to speak" and if there is one thing that has become clear over the last little while, whether it is the Spicer report or what we hear from our constituents, it is that they want us to speak on issues of relevance to them.

We have an opportunity to speak to legislation but often that is part of the ongoing business of the country. Often people feel that it is not necessarily a priority in their minds but something that is obviously very important and what we must do. Of course, we are always held to the relevancy of the bill or motion before us.

There is also the fact that during Question Period, which is the other obvious opportunity, we are restricted in making very short statements in a matter of seconds and, of course, during questions, you are always reminding us that this is not a forum for debate, but in fact a forum to pose a question. So we are limited there.

What we are doing tonight as a result of all-party agreement is providing some hours to allow members of Parliament, in a sense, to report back on behalf of their constituents as to their views and concerns regarding the constitutional proposals. I think it is a very positive and very progressive initiative that the House has taken.

There is a growing sentiment that people want us to respond to the important issues of the day. They want to see this institution being responsive to what I think we would all agree are critical issues facing the country. My hon. friend, the House leader for the Official Opposition has mentioned the matter of supply management. We agree that this is a critical issue confronting us. I suspect that all members of the House, from whatever region, from whatever political party, acknowledge the fact the decision that will soon be made regarding the whole matter of marketing boards and supply management programs is very critical.

Now, Mr. Speaker, you would look at this obviously and say: "Is this a genuine emergency?" We look back at precedents and are reminded that when the Tiananmen Square incident occurred, we agreed it was an emergency and we had a debate that night. However, when we had the major cutbacks to VIA Rail or the collapse of the fishery, they were not considered immediate emergencies and consequently, there were no emergency debates around these issues in spite of requests from various members and rightfully so. In no way am I criticizing the decision because I think when you saw that although these were serious issues and members would have liked to have made comments, they were not genuine emergencies at that particular moment.

I would like to add my voice to that of my colleague and say we have to find some way to provide an opportunity that will not jeopardize the House time in its efforts to do business because I think that we acknowledge the fact the government has an agenda; the business of the land must be conducted. Perhaps loosening up on our interpretation of the emergency debate will allow this institution to be more responsive to the concerns and needs of the country, to provide members of Parliament with an opportunity to be more responsive

in reflecting the views of their constituents on critical issues of the day.

Mr. Speaker, I appreciate having a chance to participate in this discussion on something that I think is most important. These are very critical times for our country. We feel the pressure in the country as members of Parliament. I suspect running up to the next number of months, to the next general election, those tensions will be perhaps even extended and expanded. I think we need a way to let off a little steam, to diffuse some of the anxiety and tensions that build up in here, Mr. Speaker, when, in a House that was designed for us to speak, so few people actually have an opportunity to speak on behalf of their constituents on issues of the day.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I do not want to take much time but I do want to respond for a moment to the comments of my friends across the aisle.

The House leader for the Liberal Party makes four very clear and concise points which I have to say without repeating them I basically agree with. His points are valid ones. We want to see this sort of thing happen. We want to see discussion and debate among members of Parliament. But I want to draw a line here.

As you well know, and other members of this House know, we have a process in here essentially of the usual channels of discussions that go back and forth to create opportunities for dialogue, debate and how we are going to handle legislation. That process I have to say in 90 to 95 per cent of all cases works very effectively. Occasionally it fails, and that is bound to happen in a partisan institution such as the one all of us here participate in.

But the point I want to make is this: Looking at Standing Order 52, emergency debates, my hon. friend the Liberal House leader read citation 387 of Beauchesne in its entirety. I will not repeat the whole thing but I want to focus on one phrase. The Standing Order is clear that the question be specific and must require urgent consideration.

What my friends are arguing is that in fact what the Speaker should do is reinterpret the word "urgent", re-examine and loosen up what is considered an emergency to thereby create another opportunity for debate. My argument is that would be an abuse of this rule because this rule is designed for a very specific purpose of emergency or urgency.

We can arrive at somewhat the same results by a different process and one that is more in keeping with our traditions and is safer for the institution. That is, Mr. Speaker, if you were to do as my colleagues are advocating, to broaden the scope, in a sense the Speaker would then replace the usual channels that we try to exercise in this House.

My argument is that through the process of usual channels we can create more opportunities for debate on matters that are significant, matters that are important, but not necessarily an emergency, not necessarily urgent in the sense that they have to be dealt with or solved at this particular moment.

The House leader for the New Democrats indicated a motion that we had passed unanimously in this House yesterday to create exactly such an opportunity on the issue of the Constitution. I have to say in the spirit of reform and the McGrath task force that was referred to earlier, that is in fact what we want to accomplish. We need to see more of those. On both sides of the House members want to participate in these issues.

My argument is this: Very simply, if the Speaker were to take it upon himself or herself to reinterpret the word "emergency" or "urgency" as it has applied to this particular rule, it puts the Speaker in somewhat of a vulnerable position and is a role best left to the usual channels.

I want to signal that role is one that I think we should be looking at in the spirit of generosity and in terms of the mood and tone we are trying to bring into the House of Commons. That is one of a serious institution which has contained in it serious people who want to seriously address serious issues. It is one where we set aside our gamesmanship from time to time and really get down and give our members on both sides of the House an opportunity to discuss this issue.

Mr. Dingwall: I say through the Chair to my hon. colleague this is not intended to cause the debate undue delay. I do want to say to my colleague, as he well knows, there are a number of elements the Chair must consider before making an adjudication with regard to Standing Order 52.

I would just like to share with him:

> —the Speaker shall have regard to the extent to which it concerns the administrative responsibilities of the government or could come within the scope of ministerial action and the Speaker also shall have regard to the probability of the matter being brought before the House within reasonable time by other means.

Those are the elements that the Speaker is directed to consider.

• (1040)

I appreciate the intervention of the parliamentary secretary because I see again another sign of wanting to co–operate and to facilitate our desire to speak on substantive, important matters.

I do not want the hon. member opposite to leave the Chamber today with the impression that somehow we are trying to say to Mr. Speaker that we want him to have a new definition of a particular word. We do not want to get into debating the etymology of a particular word.

The hon. member, as well as the Chair, must understand that in the evolution of time what may have been an emergency a year ago may not be an emergency today. What is a genuine emergency today, three weeks from today may in fact not be. It becomes a very subjective test as opposed to an objective test.

I believe, and as my colleague alluded to earlier, the Chair has exercised prudent judgment in the past and will continue to do so. I do not think the comments of my colleague opposite should be interpreted by any member as that the Chair ought to be restricted to a strict literal interpretation of a particular word. The Speaker must have some discretion as the rules allow him to have discretion in the interpretation of that particular phrase.

Mr. Peter Milliken (Kingston and the Islands): I intend to be quite brief. I just want to rise to participate in this debate because although I have not been here as long as many of my colleagues who have spoken already, during the three years that I have sat in this Parliament I think there have been no more than five emergency debates and I am being generous using the number five.

Certainly, some of them had been arranged by agreement between the parties after refusal by the Chair to allow debate on the basis, I presume, that it was not an emergency.

In other words the rule has been interpreted in a most restrictive manner. The comments that are being made today and with which I know my colleague the parliamentary secretary agrees, indicate that this has been the case.

In my comments I want to suggest to the Chair that perhaps a fair way to look at it is to see the opportunities for members to engage in debates on public issues of urgent importance. I suggest to the Chair that they are really very restricted.

There is Question Period, obviously, which is not really intended to be a debate.

There are the Standing Order 31 statements which are again not debate, and then there is the late show. But the difficulty with the late show is that the questions raised are normally raised weeks after they have been raised in Question Period. The sense of urgency is lost in most cases and the opportunity to debate the issue on the same day it was raised in Question Period is rare. It almost never happens. It is usually deferred for weeks and weeks because of the pile up of applications waiting to be heard in that particular forum.

Therefore, the emergency debate route, Standing Order 52, is really one of the very few opportunities, aside from supply days which the opposition must give up on its own and, of course, they are not always available, on which matters of urgent public importance can be discussed in this House.

It is my submission that if Parliament is to be relevant to the people of Canada who put us here, to discuss public issues in the fullest sense, it must have discussion and debate, not to resolve anything, not to solve a problem but to discuss it and possibly to come to some resolution later. At least if there is a discussion and an airing of the grievance, an airing of the problem then that should happen under Standing Order 52.

With the changes in the rules that have meant that the business of the House is no longer set aside for the purpose of a Standing Order 52 debate, then there is no inconvenience to the government aside from the inconvenience of having a debate.

In other words, the Speaker in allowing the debate to take place is not setting aside the business of the House. We are simply adding to the hours of the sitting of the House to have that debate take place. That is a crucial

distinction that was not the case in the 1950s and 1960s and I ask the Chair to bear it in mind in the interpretation of this rule.

Mr. Cooper: Mr. Speaker, just very quickly I want to emphasize that we have a Standing Order which is for a specific purpose.

First, I am very concerned that what we are doing here is pushing the Chair into a role which I do not think this particular Standing Order wants.

Second, I think we have to be very careful here. In a sense, we are moving into a veiled criticism of decisions and the process by which we have operated. I suggest to you, Mr. Speaker, the rulings have been good. They are rulings we should support quite comfortably and completely, and we have a process called usual channels that we work out of.

SPEAKER'S RULING

Mr. Speaker: I have listened very carefully to the matter raised by the hon. member for Cape Breton—East Richmond, commented upon by the hon. member for Kamloops and the hon. member for Kingston and the Islands. I have listened also very carefully to the comments of the hon. parliamentary secretary who has in the past years been very much involved in attention to the orders of this place and also to some steps in the reform of the orders of this place.

First of all, I want to say to hon. members that I do not take this intervention and this discussion in any way as a criticism of past Speakers, or past rulings, or myself. I want that clearly understood.

Also, it should be clearly understood by all hon. members and the public who is watching that sometimes we are criticized for not proceeding in a civilized way. This has been an example this morning of proceeding in a very civilized way.

I am cognizant of the mention made on both sides of the Chamber of the special arrangements that were done, as the hon. parliamentary secretary says, "through usual channels", in order to have additional debating time for all hon. members with respect to the serious matters of the Constitution. I certainly must say as your Speaker that the comments made in support of that on both sides of the House are proper and should be supported.

The difficulty that the Speaker is in under this order is that until perhaps a recommendation comes out of the members management committee and is supported by members of the House, until there is a more or a different interpretation of the word "emergency", the Speaker is still bound by that word.

Now, having said that, there are a number of things that go into a Speaker's mind when the Speaker is trying to determine whether there is clearly an emergency or whether circumstances are changing from day to day, either building toward an emergency or sometimes diminishing the emergency. The hon. member for Cape Breton—East Richmond commented upon that.

Comment has been made that there have been times in the past where, working through the usual channels that the hon. parliamentary secretary mentioned, what might not have been in the strictest and narrowest interpretation an emergency debate, was, nonetheless, acceded to by both sides of the House. This was out of a general feeling that it was in the public interest and the interest of this place that a debate take place.

I am also conscious of the fact, as the hon. parliamentary secretary and the hon. member for Cape Breton—East Richmond and the hon. member for Kingston and the Islands pointed out, that after the reform committee's recommendations were—not, by the way completely accepted on this, but partially—accepted the old difficulty of a Speaker interfering with the Orders of the Day to have an emergency debate is gone. That is in the past because, as has been properly pointed out, an emergency debate would take place after Orders of the Day are concluded, except on a Friday.

Now the best approach I can take is to consider carefully what has been said. It is very difficult to ask a Speaker to unilaterally change the rules. But in determining what is an emergency, the Speaker, as has been pointed out, looks at a number of things. What may not have been an emergency at one point may become one. What might be building to an emergency might not be needed to be treated as an emergency for a number of reasons: one, because circumstances change, another might be because there is another opportunity to debate it, which is one of the things that a Speaker does have to take into account.

• (1050)

I want to say to all hon. members on both sides that I take the exchange which has taken place this morning as a constructive one, and I hope that I will be able to deal with this rule as wisely as you would want a Speaker to.

Obviously, if the rule was changed, there would be other considerations. It might make it easier to rule a debate. That has to be balanced off against what the parliamentary secretary is properly putting up, and that is the process of usual channels, which is a very important aspect of how this place operates.

I will consider what has been said and it may very well be that we could have a further discussion on the matter.

I also want to say something else, and I know that the hon. member for Cape Breton—East Richmond appreciates this. This is a bit unusual. It might be said that this is not a point of order in the usual manner. It may not be. It does not arise out of something that just happened on the floor of the House or out of Question Period, but it does address one of our orders, one of our rules, and the interpretation that ought or ought not to be given to it. I think that carried on briefly and with the civility which has been so manifest here this morning, it is probably a helpful thing.

I am going to hear the hon. member for Algoma. I know we have to deal with the specific matter which has been the subject of some discussion already this week, and I will hear it again.

* * *

MOTION TO ADJOURN UNDER S. O. 52

AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, the motion or the request under Standing Order 52 was to ask leave to move adjournment of the House for the purpose of discussing a matter of urgency, namely that immediate steps must be taken by the government to preserve Canada's supply management marketing board system which is now under serious threat in the GATT negotiations and, further, that the government must deal with the entire crisis facing the agrifood industry and the family farm in Canada.

It would be hard to exaggerate the fear, the concern and the anguish facing some 35,000 or 45,000 dairy and poultry farmers across the country today. They meet in rallies. They write letters to members of Parliament. They demand a commitment from the government that the government will act in every possible way. The personal level of the problem is: Will these people survive under the proposals that have been made? They think not.

That is the human level, the important level, but in macroeconomics it is important too. It is a $10 billion group of producers. It is a secure domestic supply for those commodities which are marketed under supply management.

It is 100,000 jobs, but beyond that it is just the viability and the survivability of literally thousands of rural communities across Canada.

I ask leave of the House for an adjournment debate on this urgent matter.

Mr. Speaker: As I have said, the matter has been before the House for several days. I think I made it very clear yesterday, in rejecting the hon. member's application, that that did not foreclose other applications.

As I mentioned yesterday, I was listening very carefully to the exchange in Question Period, both the questions and the answers. I shall do the same today and I shall reserve on this application until after Question Period.

GOVERNMENT ORDERS

[*English*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed from Tuesday, February 4, consideration of the motion of the Mr. Mazankowski that Bill C-32, an act to amend the Canada Assistance Plan, be read the third time and passed.

The Acting Speaker (Mr. Paproski): I believe the hon. member for Northumberland had the floor. She has two minutes remaining in debate.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I was commenting on the disastrous impact of the capping of the Canada Assistance Plan in my riding of Northumberland.

The fact is that since 1990 costs for providing social assistance have risen almost three times. At the moment our county has a $400,000 deficit which will have to be

borne by municipalities levying extra taxes on the backs of property owners.

As we know, our constituents are faced with more than enough taxes right now and simply cannot sustain that. The estimated caseload in Northumberland for this coming year is 20,496 over last year's number of 9,994.

I would like to conclude my remarks with a quote from one of the many letters I have received from constituents who are really fed up with government cutbacks as a way to deal with our deficit. This one comes from the retired associate minister of Trinity United Church, Cobourg, Ontario.

He writes: "If this were wartime money would be immediately forthcoming. Everyone would be working. No one would be hungry. Industry would be humming in the interests of killing one another".

"Deficit? Whoever heard of a deficit in wartime? Who gave a fig about what we spent last year in the gulf war? The moment the war ended, here we go again. We have to bring down the deficit. We have to cut back. We have to balance the budget, and we are being manipulated to think that the deficit is the enemy to the exclusion of everything else".

"What about child poverty, a horror if there ever was one, or families falling apart because of no work, or suicides of the unemployed or of the homeless in the midst of a Canadian winter? Why can't governments, either federal or provincial institute public works programs to repair roads, sewers and sidewalks or do research into alternate sources of energy? There are all kinds of things needing to be done and all these people just waiting to be put to work. Why can't governments use their power and their imagination to pull us out of our economic woes? If governments can do it in wartime with no problem, why not in peacetime?"

"Please be ensured of our enthusiastic support of any such programs you might initiate. We are all sick and tired of cutbacks and more cutbacks. Surely there is another road you can take".

I present that on behalf of the constituents in my riding of Northumberland and citizens across this country who take great exception to the continued cap on our Canada Assistance Plan which benefits those most in need in our country.

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I also welcome the opportunity to participate in this debate on Bill C-32. The bill will have a significant impact on the constituents of my riding of Cochrane—Superior.

We are going through very difficult times in this country. We are in a made-in-Canada recession and the attempt by the government to revive the economy has been a total failure.

Its obsession to control inflation resulted in artificially high interest rates which caused the recession. The strategy prevented small businesses from borrowing in order to modernize, expand and build up a reasonable inventory. Of course manufacturers and suppliers really suffered in the process and many workers had to be laid off.

The retail chain of Sears has recorded its first deficit since 1950. The Sears company officials stated that this is the worst recession since the Great Depression. When one looks at the current statistics of 1.4 million unemployed Canadians and 2.2 million Canadians on welfare, it explains the anxiety and the despair in the population in general.

What does the government do? It introduces Bill C-32, an act to lock in the federal government's contribution under the Canada Assistance Plan to 1990 levels. Mr. Speaker, you cannot tighten the belt when there is no longer a waistline.

To make matters worse, we are now feeling the effects of Bill C-21 which has cut the qualifying period of UIC from 50 weeks to 42 weeks. Because of this recession, unemployed workers cannot find work and are therefore inflating the welfare rolls. This has a tremendous impact on the financial capacities of municipalities to maintain their services and programs as taxpayers' dollars are directed to welfare budgets. Business leaders in the country are now leaning toward a more liberal approach. They believe that the government's single-minded war against the deficit has actually created a much worse situation. In fact its ill-advised economic policies have brought the economy to a halt.

• (1100)

During a recession the government should temporarily relax its stand on reducing the deficit to preserve jobs and keep the economy rolling as smoothly as possible.

Business leaders are also favouring cutting personal income taxes instead of sales tax reductions. The government would profit by raising individual tax credits. Such action would result in people having more disposable income.

Mr. Speaker, I would like to tell you just how the bill and all the other Tory measures have affected the residents of my riding of Cochrane—Superior.

Northerners have had to put up with the cancellation of the northern tax allowance, the high cost of fuel, massive cuts in social services, and cuts in transportation such as the frequency of passenger train service and jet service to Toronto. The government's high dollar policy has affected the lifeblood of Cochrane—Superior. Its casualties in the forest, mining, and tourism industries have demoralized northerners. The exodus of our precious youth to opportunities in the south paints a very grim picture for our future survival.

We find ourselves between a rock and a hard place in Ontario. On one side we have the NDP government of Ontario which introduced cuts. On the other side we have the Conservative federal government which is proposing to put a cap on transfer payments to the provinces of B.C., Alberta, and Ontario.

This means that these provinces will once again have to pick up more of the cost if services are to be maintained at the current level. My province of Ontario is not in the best economic health and northern Ontario is in an even more desperate situation.

In light of the current economic situation I find it incredible that we are asked to support such a bill to cap the transfer payments to these provinces. To cap payments at a time when the number of welfare recipients is at an all-time high makes absolutely no sense.

One of the areas that has already suffered and will be further affected is the northern health travel grant. This grant provides financial assistance for transportation and accommodation to patients requiring specialized medical attention in southern Ontario.

Last year the province lowered the number of kilometres required to qualify and allowed companion grants. The northern health travel grant office has received twice as many claims as before. Because of a lack of funds, the department has not increased its staff. As a result, instead of receiving the reimbursement within six weeks, it takes four months.

I have received numerous complaints from constituents. For example, a constituent has to make a trip to Ottawa every month at a cost of approximately $400 per trip but he only receives $280 from the travel grant. If it takes four months to process his claim, he will receive three reimbursements in one year. In the meantime 12 claims will have been submitted.

In my view these people are being penalized because they are ill. I must stress the seriousness of this problem and emphasize that such a situation will be further aggravated if Bill C-32 becomes law.

This bill to cap transfer payments does not hold much hope for the education system in my riding. Stress and anxiety already permeate our region to such a level that this additional pressure is totally unwarranted. In my home town, the Kapuskasing and District Board of Education has three public schools that are in dire need of major repair. The high school was built in 1956, Eastview Public School in 1961 and Diamond Jubilee Public School in 1927. The cost of operating and maintaining these facilities is astronomical. Logic dictates that a new public school be built. With the adoption of Bill C-32, it will only make it more difficult for the province to finance this project. Each and every Canadian has the right to a decent environment for learning.

This government really lacked foresight in introducing this bill at this time. I am sure you have noticed that not too many PC backbenchers have expressed their views on the bill because they simply do not agree with it. However, there is still time to say no to Bill C-32. They can say it to their finance minister.

Canadians need help, food and jobs. It is time that the Tories attach a human face to very depressing statistics. We need to kick-start the economy. We need incentives, not belt tightening.

I would like to conclude by saying that I strongly oppose this legislation. I fail to see how Bill C-32 will in any way help the people in my riding of Cochrane—Superior. As a result of the cutbacks in transfer payments, the provinces will have to cancel programs. Bill C-32 will only create more hardship for the unemployed and welfare recipients and cause serious headaches for hospital and education boards. It is a regressive bill

which will undermine the provinces' capacity to fulfil the basic needs of our society.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, among some of the more regrettable actions by this government in pursuit of its ideological path, regardless of the realities that the people of this country are faced with, this particular policy is the most damaging of all. Not only is it a restriction of the historical attempt of a central government to keep a sense of balance and fairness among the provinces through the federal government's role of being the impartial central fiscal agency in making sure that fairness takes place, but psychologically the government is putting a damper on any attempt that we must make under these circumstances to raise ourselves up by our own bootstraps.

The phenomenon of cut and run as exemplified by this capping policy by this federal government is Thatcherism and Reaganism at its very worst.

Although there is a great gap between the Official Opposition, the Liberal Party, and the New Democratic Party, there has been a history of that party with this party, and indeed with some people known as red Tories when they shared a sense of what the common purpose of government is in good times and in bad.

On those rare occasions when we put aside our philosophical differences in the interests of meeting national emergencies, this instrument called Parliament, and whoever was the majority in government, was used successfully to help the people of this country overcome the crisis.

That is sadly lacking at this moment. What may have been the purpose of this particular government in putting the cap in originally some months ago is no longer possible to substantiate under today's circumstance. There is not a community in this country that is not suffering grievously from a lack of employment, a lack of a mixed economy and frankly a lack of leadership from the federal government in ensuring that some prime pumping money is available.

We are now beyond the point of exacerbating the differences that we must do as politicians between the political parties. The people of this country no longer want us to play those necessary roles as we must do in differences of opinion and philosophy. What they want is some action and action now before this whole country is put at risk.

As we go through the debate on constitutional matters, people feel this country is not working. People are concerned that we are spinning our wheels here in Parliament while the country is going to Hades in a hand-basket. I think it is important to seriously reconsider the necessity of keeping the CAP, listen closely to members of this House about alternative programs and, regardless of their political ideology, give them sincere consideration. In the past I have spoken at length about using RRSP funds in a municipal bond concept to refinance the rebuilding of roads, sewers and sidewalks in this country. Money on this same program would have been available if the capping had not taken place. No one holds the monopoly on ideas, but the problem is the government holds the monopoly on freezing its mind in an openness to the ideas.

• (1110)

I do not wish to go over again the proposal I made about municipal bonds. *The Vancouver Sun* newspaper printed in detail an op-ed article that I wrote on this and I will be happy to distribute this proposal that was printed in *The Vancouver Sun*.

Today I would like to raise another proposal. The former Liberal administration under Pierre Elliott Trudeau raised as a possibility the co-operation of those provinces involved with the energy industry, which is now suffering so grievously. Under the National Energy Program there was an attempt to have a cohesive energy policy in this country, albeit there were vast differences of opinion and disagreement. The province of Alberta did not like the national energy policy. Certainly the province of British Columbia did not like parts of the national energy policy, but at least there was a discussion about the use of that valuable resource here in Canada and for offshore markets.

Because of the free trade agreement, some restrictions now exist about our being masters in our own house and shaping our own destiny in energy. I would like to raise one specific opportunity that exists for us to create

jobs by using natural gas and extending our options in markets.

Currently we are nationally tied in with selling natural gas exclusively into the United States. There is no money available because of these caps to start experimenting with other possibilities.

The one program I want to suggest as a job creation program and a revenue-flowing instrument for the federal government is the sale of liquefied natural gas offshore into the Asian market. Since this idea was proposed with provincial-federal co-operation back in the early 1970s, the major opposition to it was the fact there were limited reserves of natural gas. Currently and happily, there is a great confirmed reserve of natural gas in this country.

If we eliminated the capping and gave some options in this regard to the provinces of Alberta and British Columbia and perhaps the territories, we could begin to sign offshore contracts for liquefied natural gas to be carried in Canadian ships manufactured in Canadian shipyards. Those markets could be exploited both privately and publicly for these sales.

For the provinces of Alberta and British Columbia and for the hard-pressed oil and gas sector, both private and public—what is left in Petro-Canada that is public—it would mean an opportunity led by this government to create jobs and bring in offshore investment in an industry that is deeply in need of a lift.

I am proposing four firm contracts by provincial governments under federal auspices for sales of natural gas into Korea, Japan, Taiwan and perhaps exploring the market into Hong Kong, but that is questionable. There is a need in those countries I mentioned for this consistent, variable energy supply.

In getting caps, governments are not permitted to initiate the kind of aggressive sales action that is necessary to follow through on this idea. That is why I am opposed to the capping.

Two ships built with the capacity to carry liquefied natural gas which only has an 8 per cent loss in conversion would provide $50 million immediately to the shipyards of western Canada. I say this without bias or favour to the shipyards in my own riding. On the east coast of Canada, another $50 million would also be made available.

Subject to the contracts of the sale of the LNG, we would demand at least 60 per cent of the carrying capacity. Those ships would be built here in Canada. We would demand 75 to 80 per cent of the maintenance of an LNG fleet to be able to provide jobs on a consistent basis. By capping the shares of the federal government to the provinces, the initiation of this kind of work has become curtailed.

I present, in a spirit of non-partisanship, at a time of national emergency around our economy, yet another idea of bold leadership that is needed.

I appeal to the government to understand that the people of this country want leadership, a government with will and a government with purpose. The current government only offers Canadians through this kind of legislation cuts, cuts and cuts with no hope whatsoever of alternate plans. I am disappointed to have to say that that is exactly what we are getting.

We Canadians are better than that. We can rise above our partisan differences on an occasion, as difficult as it may be for me, but this time this crisis demands that kind of leadership. Frankly, I think the Tories are exhausted. Their batteries are run down. They cannot provide this kind of leadership. The only option is either cancel this kind of legislation or, for God's sake, call an election.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, since this is my first opportunity to speak on a piece of legislation in this House this year, I would like to say a happy New Year to all of my constituents in Ottawa Centre as well as all Canadians across this great land.

Like the vast majority of the members of this House, I had the opportunity during the past two months to speak with many of my constituents, some of whom are quite upset about the policy of the federal government, many of whom are upset at the policy of the provincial government and those who are upset at both of them at the same time.

Along with that, I have met some very interesting groups of constituents who were not complaining. They were not complaining at all. As a matter of fact, they were making suggestions during these tough economic times. I thought I would make a habit of bringing forward those suggestions to the attention of the House of Commons every time I have a chance.

One of the suggestions that I was very impressed by was made by Brian Weatherdon of St. Andrew's church. I met with Brian not too long ago. He brought to my

attention a suggestion and an idea that I thought was worth while sharing with my colleagues in the House of Commons and, as well, with Canadians across this land.

St. Andrew's church in Ottawa is just two blocks from Parliament Hill. It has initiated a family nutrition program. A group of five to seven persons meets once a month with a facilitator to learn ways of purchasing and preparing food in order to maximize the family's nutrition based on current income. I will be speaking a little down the road about the current family income.

This program is a most creative method of diminishing the effect of child poverty and to reduce present requirements on the food bank system. Participants in this program will share their newly-learned skills with families and friends. The effect will be multiplied. As this program develops, several groups will be formed to receive this training. The total effect of this program will be dramatically increased over time.

• (1120)

This program was developed out of a local community partnership, the Ottawa Emergency Food and Clothing Centre which proposed the idea adopted by St. Andrew's church and the Ottawa Centretown Community Health Centre which provides staff time to train participants.

In my view, the family nutrition program is an effective community response to a fast-growing problem in communities across Canada. It is proceeding with no cost to the federal budget at all. If programs such as these were to be adopted by the Department of National Health and Welfare, or were to be initiated and operated by that department, it would cost a lot of money. If the department would endorse such an initiative and promote it as an effective program to be operated by community agencies across Canada, it is probable that many groups would soon operate similar programs at minimal cost to the Government of Canada.

This is one program that was initiated by a non-governmental, non-profit organization in my riding. I am very proud of their initiative and what they have been doing over the years for my community and for the population at large.

This came about the same time that the Ottawa-Carleton Food Coalition project issued its annual report dated January 1992, entitled *The Hunger Crisis in Ottawa—Carleton*. Being the nation's capital, probably in the minds of many people outside of this region hunger would not be a problem here, or they might think that we are shielded, for whatever reason.

This is only to indicate some of the findings of this report. It was clearly stated, contrary to the belief of many people that those who go to the food banks might be working or might have some income, that in excess of 75 per cent of the people going to food banks in our region are in fact receiving social assistance in one way or another. Of the balance, 10 per cent are receiving some disability pension and 5 per cent are on unemployment. There is a very small percentage of people who are working who use the food bank. That percentage in our region is only 5 per cent. Five per cent of the people who are using food banks are full-time workers.

Even if we are to work in isolation at the food banks and we are to look at the income of a single parent family with two children and compare their income to the poverty line, we see the monthly income for a single parent with two children amounts to approximately $1,213, while the poverty line at the federal level is $1,952. Even though we have one of the most progressive social programs in North America, families who receive that assistance are not making any bread at the end of the month and have to rely on food banks in order to support themselves.

We have a national problem that needs national attention. The government has been reshaping and working on various ideas that deal with educating the work force and creating employment. It is timely for the government to put its brakes on when it comes to the transfer payment measures it is in the process of taking with Bill C-32 which will cap transfer payments to provinces such as Ontario where this year alone the impact would be in excess of $900 million.

The vast majority of people who are on social welfare are between the ages of 14 and 49. Over 52 per cent of people receiving social assistance programs are between the ages of 30 and 39. There is a crisis of national proportions which requires national attention.

We are opposed to the bill as it is before the House for third reading. We call on the government to withdraw the bill. It is untimely. It will hurt those who need our assistance and support the most.

The initiative by St. Andrew's church is great for the community. It requires the support, endorsement and promotion by different levels of government. I would like to echo what my colleagues have said about this piece of legislation. It is ill-timed. It will hurt the people of Canada. It will not address the socioeconomic problems that we have to deal with and address.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I would first like to say that I appreciate being given the opportunity to make comments today about the government's plan to amend the Canada Assistance Plan which will essentially take money out of the hands of my constituents and indeed out of the hands of rural Canadians.

For a fairly long time we have been debating this issue. Many important points have been made by my colleagues. Many people in my riding of Haldimand—Norfolk have come to me personally to talk about this bill. They are afraid of this bill. We have been told throughout Canada that Canada's poor citizens will suffer most because of this bill. Basic necessities such as food, shelter, clothing, utilities and household supplies will be denied to many Canadians because of this bill.

Services provided for the poor such as dental care, services provided for disabled persons, foster homes for abused children, safe housing for abused women and subsidized child care for low income families are inevitably going to be cut back because of this bill.

We will have a situation where the people who can least afford this kind of government restraint are the people who are going to suffer because of it. While the rich get richer because of this government's economic policies, the poor will inevitably have to pay the price.

This is just not fair. Given these terrible economic times, I cannot think of a worse or more inappropriate time to bring in such a piece of legislation. It seems to be a lack of common sense and a lack of real compassion for what is happening in Canada, especially rural Canada.

Is it not obvious to the government that the recession has put many Canadians out of jobs? Some are just temporary. More and more people are going to need financial assistance from the federal government. This is certainly not the best time to introduce such legislation.

• (1130)

The Canada Assistance Plan has been an integral part of federal-provincial relations for almost 30 years and has been a reflection of the co-operation and the co-ordination between all levels of government in this country. In fact, it is one of those programs that binds this country together. It is one of those programs that really identifies us as Canadians and not as North Americans.

More important, it is the reflection of the Canadian values of caring, sharing and compassion that built this great country. It has been a constant since Confederation where the principle of equalization was spelled out within the Constitution. It is the principle that is holding through to these recent constitutional discussions. It is the one thing, which at the constitutional meetings that all Canadians have discussed, that is, the whole situation with equalization.

However, we seemed to have moved into a whole new era of fiscal federalism within this country. We still have our sacred Canada Assistance Plan but the limits on the transfers to the provinces have essentially gutted the program and have reduced benefits to those people who need them the most.

The importance of the programs under the Canada Assistance Plan is that it tries to deal with the whole issue of poverty, in fact, it tries to eliminate poverty. Indeed, the major problem that we have in this country is child poverty.

Of greater importance though, it attempts to lessen, remove or prevent the causes of this poverty. It is not just a matter of sending out welfare cheques, it is a matter of providing services to help people overcome these hard economic times. The government's decision to cap social assistance transfers to Ontario will unfortunately perpetuate this vicious cycle of poverty.

I would like to take this opportunity to put the issue into a rural context because rural Canada is often forgotten when decisions are made by governments which try to address these issues. It seems at times that this government has forgotten that there are poor in rural Canada.

We are in a unique position in rural Canada, and indeed, in Haldimand—Norfolk, my riding. The problems are twofold, Mr. Speaker.

First, the agricultural sector is facing its worst attack ever in the history of this country, as many farmers are moving away from the family farm and trying to move into other areas. The government has to realize that many of the problems with rural farming have to deal specifically with their own economic policies in Canada.

The second problem facing my riding is that southwestern Ontario is deindustrializing. More and more jobs throughout southwestern Ontario, especially in the manufacturing plants in the region, are being lost as these plants shut down and move to the United States. We will not get into the debate about why this is happening, although free trade does come to mind.

Increasingly in rural Canada we need a government to support us. Many of these people are facing economic hardship for the first time in their lives and they really do not know how to deal with the situation. They are applying for social services and welfare for the first time in their lives. They are scared, they are worried and they do not know where their future is going to lead them.

What do they do when they lose their jobs and see no hope at all for the place they live? They move away and as a result, unfortunately, the rural infrastructures begin to disappear.

When the government pulls these funds out of rural areas, the burden is inevitably put on the local tax base. The Minister of Finance is constantly saying: "What would you have me do, increase taxes or increase the deficit?" I tell the minister that what he is doing to my local constituents is increasing their local tax base.

If he has not gone to his own riding, I will tell him that in my own riding, people are sick and tired of paying taxes. This program is going to put more of a tax burden on them. Frankly, whatever level it is where you pay taxes, you are inevitably going to have to pay taxes because of this bill.

The effects of the decrease in Canada Assistance Plan payments on my riding of Haldimand—Norfolk will be far reaching. Rural ridings in British Columbia, Alberta and Ontario really have a lot at stake. The Minister of Finance would say that they can best bear the extra burden of this. Why should the federal government transfer this burden of national debt or the federal deficit on to the backs of the poor in rural Canada, in rural Ontario? Why should people who have just lost their farms or their jobs suffer because the province of Ontario has to bear this extra burden?

Obviously people should not have to. So let us stop putting this debate in terms of provinces or in terms of levels of government, let us start putting this debate in terms of people. People have a right to know why the government is doing this. During these tough economic times they need this government assistance.

This is why I question the government's timing of this issue. Why is it so intent on passing such a piece of legislation? I ask the government to reconsider this bill given the hard economic times.

I would like to conclude by saying that I am not trying to be partisan. I am not disagreeing with the government just for the sake of disagreeing. In fact, this bill, by limiting the increase in federal contributions to the Canada Assistance Plan until 1995 for the provinces of Ontario, B.C. and Alberta, is a bad idea at the worst possible time. I am sure many members on the other side of the House agree with that. It is going to affect a portion of our society that does not deserve any further hardship, including those misfortuned as a direct result of this recession.

It would seem the proud Canadian values of caring, sharing and compassion are disappearing on that side of the House. I implore the government, I implore members within its own caucus to talk to the Prime Minister and ask him to reconsider, to withdraw this bill and at the very least allow Canadians the right to tell him that this is a bad bill at the wrong time.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, it is a pleasure to rise on behalf of my party and speak on Bill C-32, an act to amend the Canada Assistance Plan. I want to speak on behalf of the constituents of my riding of Prince George—Bulkley Valley who, in many cases in the research that I have done on the Canada Assistance Plan, have told me some of the difficulties and problems that are resulting from this legislation that has been introduced by this government.

In the short time that I have I would like to outline some of the concerns we have with the legislation and point out where the impact will be felt the most.

Bill C-32 is a two-page bill. It is amazing how much damage two pages of paper can actually do in legislative form. As most members of this House know, Bill C-32 allows for the extension of the 5 per cent limit on the Canada Assistance Plan for the provinces of B.C., Alberta and Ontario. You will remember, Mr. Speaker, that Bill C-69 capped at 5 per cent the federal funding increases until 1992. Bill C-32 extends the cap to 1995.

Most people are not familiar with the way the federal government has worked to try to build that caring and sharing society, and are probably not aware of just what kind of work the Canada Assistance Plan does. In fact, CAP is really the only mechanism that the federal government has where it funds social assistance and social services across the country.

We talk about transfer payments and government assistance. It is in that never-never land of a host of different programs. In many cases people are not aware of the tremendous impact programs like CAP have across the country. The unfortunate part, of course, is that this government desires to off-load its social responsibilities and fiscal responsibilities. The new government in British Columbia has, according to the information I have been provided, estimates that the cuts in Bill C-32 will amount to something like $1.2 billion over the next five years.

• (1140)

The new government is reviewing the state of the finances before the next session of the legislature which will likely be some time in March. That government is finding out the rough financial situation it is in with the departure of the Social Credit government. It did not just clean off the shelves, Mr. Speaker, it took the shelves as well. The safe is empty. The Socreds are running around wondering just exactly what went on and, of course, the public of British Columbia is wondering as well. The onerous debt forced on the people of British Columbia by Social Credit is now being forced on those people by this government with its cuts to the CAP program.

CAP provides for 50/50 cost-sharing between the federal government and the provinces for social services. The breaking of this agreement represents a withdrawal of the commitment by the federal government to Canada's social programs. That clearly sets a dangerous precedent for the future of all federal-provincial agreements.

I have been corresponding on a regular basis over the last year with the city of Prince George. It has a delivery mechanism for assistance to community groups that provide valuable services to our residents. It provides funding from the Canada Assistance Plan. I thank His Worship Mayor John Backhouse for the discussions we have had and also, of course, the officials at Prince George city hall.

I think the people of that community will be very surprised to learn not only what the contribution is that the federal government is making in this case to three particularly important organizations, but also what is going to be the outcome now that this government is going to put a cap on CAP. Do I have to tell these organizations and the city of Prince George that the Scrooges and the Neanderthals of the Conservative Party have decided that the services being provided by the Cerebral Palsy Association of B.C., which runs the very well and highly acclaimed child development centre in Prince George, the St. Patrick's House Society and the Canadian Paraplegic Association will be affected?

Those three organizations have been helped by the Canada Assistance Plan. Unless there is a change of heart by members of the Conservative Party, what do we tell these groups that have done this work? We will have to tell them that the assistance they are now receiving will be cut back. They will obviously be looking to the Government of British Columbia to help where it can. Of course, that government is dealing with a tough financial situation as well, as I already mentioned. A report is due soon which will show exactly how this government and the former government of B.C. ravaged the accounts of the Government of British Columbia.

The Cerebral Palsy Association, which finances the child development centre, has just over $11,000 in applications pending for fiscal 1989-90, 1990-91. St. Patrick's House Society, which receives upward of $30,000, has an application pending, as does the Paraplegic Association. We have made a contribution, Mr. Speaker.

The Government of Canada has gone into these communities with this program and the help of the local governments and said: "We can help. We can help make a better society, a more caring society". I challenge the

Conservatives to come with me to the child development centre and tell the parents and the children that they are taking away some of the money from that centre and they will not be able to continue to operate as they had before. That is the kind of thinking that this government has not done. It has not thought about what the implications are of this particular legislation. It is going to force these community groups and local governments to continually struggle for more funds and assistance to deliver these much-needed programs.

Why is it? It has been argued by many and I think there is certainly a consensus growing in the country that this government does not have a vision for Canada. I am afraid to tell you, Mr. Speaker, that in fact it does have a vision for Canada. It is one that certainly is not shared by the vast majority of Canadians right now.

It is an agenda that has been rejected on the whole in the United States, certainly in the U.K. and other parts of central and eastern Europe where people are struggling to come to grips with the battle between the conservative point of view represented by the government and in some cases former communist governments. There is a struggle for social democracy that will deliver services and government to people so that they can actually have government programs and government services that people recognize and respect.

I do not think that is a vision that this government shares. It is a hard line, market-driven vision of Canada that rejects people who need help. This legislation, Bill C-32, really does just that.

The government has not paid attention to the impact it is going to have in all of our communities. I say every member of Parliament should check with their local societies and governments and ask them what they think of this legislation. The view will likely be unanimous. It is a bad bill and it should be thrown out and defeated in the House today.

Thank you very much for this time, Mr. Speaker, to really bring forward what I think are the serious faults with this legislation. I have mentioned a number of important directions that I think social policy should take in this country, directions that this government has rejected. Hopefully in the next election the Canadian public will reject this government as well.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise to speak on this bill because the intent behind it really makes me institutionally angry as well as personally angry. I very much object to the thrust of this bill.

Bill C-32 on which I am speaking really goes back to Bill C-69, which was approved by this House and which indeed limited the contribution to social assistance and social programs, among other things, for the provinces of Ontario, British Columbia, and Alberta, the richer provinces if you like. I am speaking in the context of the over-all reduction by the government of transfers to the provinces, looking at all the 14 different kinds of transfers, EPF payments, equalization payments, and those kinds of payments which are part of our Canadian heritage of being a country in its totality, which I think is not a bad way to look at the country these days. Also, it really allows the country to be more equal from one end to the other.

I am very concerned about this bill, as I was about Bill C-69, because what this is essentially doing is hitting the lower and middle-income classes that can least afford it.

The transfer payments that I am most concerned about have been spoken about on many occasions by my colleagues from Newfoundland and Atlantic Canada. The tremendous hardship it has caused our constituents has been just another blow in the negative cascading effect of one blow after the other.

I consider myself a responsible parliamentarian, like my colleagues. I am very conscious of the fact that the national debt in 1984 was $168 billion. Seventeen per cent of that was owned by offshore concerns. In other words, we owe that money to people outside of Canada.

• (1150)

Today, some seven years after the government came to power, it is $400 billion. I do not want to get into a long discussion about blaming one or the other. I am just quoting the facts. It is now $400 billion. Almost 40 per cent of that is owed to outside Canadian concerns, the United States, Japan and Saudi Arabia. We have lost control of our economy.

On top of that, at a time when the government knew there was a recession coming, and many eloquent and learned speeches have been made in the House on the subject, the government introduces a goods and services tax when the advice from everyone from this side of the House and I think probably a few from that side of the House as well was: "For goodness sake, if you have to do

it, this is not the time to do it on the backs of 32 tax increases in six years. Now you are going to hit the consumer with this. You are going to hit essentially the middle and lower income class because their expense on consumable products is much higher than those in the higher income bracket".

There are some aspects of this I want to highlight. I remember in 1984 Prime Minister Mulroney saying that social programs in Canada are a sacred trust. In the last three years we have been gnawing away at these social programs.

The government introduced Bill C-69, which cut the transfer payments, the equalization payments and reduced the CAP. Now this bill extends it to 1995. We have increased unemployment insurance payments. We have reduced the benefits associated with unemployment insurance. The insurance inputs from employers and employees have increased by more than 50 per cent in two years.

When you buy something in my province of Newfoundland right now, you automatically add 20 per cent. People cannot even afford to buy what it is they are buying. On top of that they have to add 20 per cent. On top of this, because of the reduction in transfer payments, education and medical care are being reduced. These are programs that Canadians have taken for granted. This was a national heritage. In the United States and other countries people look at you as a Canadian and say: "Boy, do you ever live in a great country". If you come from the province of Newfoundland, I think it is even better. They say: "Are you ever lucky to come from Newfoundland, that delightful part of Canada".

As Newfoundlanders and as Canadians we were always very proud to tell our foreign friends: "Yes, we have a pretty good system. We have a caring country where the richer provinces look after the poorer provinces a little bit".

An hon. member: More than a little bit.

Mr. Mifflin: Okay, more than a little bit maybe.

The point is that the richer provinces look after the poorer provinces. There is no other euphemism for it. I do not mind saying that I come from a poorer province. I am very proud of the fact that I come from that province. The poor aspect of it I do not think changes the degree of citizenry or the honour involved in being a citizen of this country.

Without getting too side-tracked on this, one of the universal advantages of being a Canadian was that there was a belief in Canada that your country looked after you. If you did not have a job, you got unemployment insurance. If you were sick, you did not have to worry about having a big fat wallet or a big credit in your Visa account to go to a doctor. If you had hard times and somehow lost your job or got laid off, there was a welfare system to look after you. It was a pretty good system. I hate to say as the thread of the speech I am giving here now that that is all changing.

The word I am getting from my constituents is: "We know times are pretty tough. We are not sure what you can do to change it, but for heaven's sake hang on to what we have now. Hang on to the lifelines". People no longer expect that they are going to get the safety nets they had before. The record in the last couple of years does not speak well for that.

They are afraid they are going to lose unemployment insurance totally. They are afraid they are going to lose medicare. They are afraid that the welfare payments are not going to be enough. They are scared and I do not want to add to that.

The government is saying: "The debt is too high. Therefore we are going to have to take money away from the provinces". What it is really saying is: "We are going to take money away from middle and low income Canadians". Many of them are sitting in this House in the galleries. There are the staff. I do not think that is fair and I do not think it is right.

I was on business in the United States last week and had the happy occasion to be in the company of my colleagues from the United States who are senators and congressmen. I can stand and say in this House that I probably met close to 20. The outstanding thing that I remember is that not one of them spoke to me without saying: "Hey, you're from Canada. Tell me all about your medicare system".

They are worried in the United States. They have 37 million people who have absolutely no insurance whatsoever. What happens is that people get aches and pains and they do not go to doctors because they cannot afford to go. So the aches and pains get worse. By the time they have to go, it is either too late or the bill is astronomical.

The cost for the average person for medical care in the United States is around $3,500. They spend $800 billion on medical care. If you look at that on an average per capita basis, my friends in the medical profession tell me it is astronomical. Those 37 million people are worried.

One of the congressmen said this to me as I sat and discussed mutual problems with him: "You know, the economy is a big problem right now and so is medicare, but if this country is as good as we think it is, the economy will pick up. Maybe it will happen this summer, maybe in the fall, maybe next year. Who knows? It will pick up though. We have to believe that". The problem of medicare in the United States is not going to go away. It will be there when the economy has started to improve.

I find it passing strange that we would try to emulate our cousins south of the border in many areas. I am looking at things like free trade and other aspects where we are trying to set up a level playing field. Yet in the area of medicare, they are trying to emulate us and we are throwing away the system. They are trying to do what we did years and years ago.

Drawing my remarks to a close, I am very upset about this bill. Getting back to the Canada Assistance Plan, I think in 24 years this program has served to support Canadians in building a social welfare system which competed with any in the world. It was enshrined as part of Canadian legislation and gave Canadians a great sense of belonging. This legislation is now taking away that great advantage that Canadians had and will take away a little part of being a Canadian at a time when we can least afford it.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, I welcome this opportunity to speak on Bill C-32 which proposes to put a cap on federal contributions to Ontario, B.C. and Alberta through the Canada Assistance Plan.

I would like to speak on this bill from two perspectives, as a member of Parliament from the Hamilton area which will be especially hard hit by the cap on the Canada Assistance Plan and as a critic for disabled persons for they will also be very hard hit by this legislation.

I have recent statistics on the welfare caseload in the regional municipality of Hamilton—Wentworth. In one year the number of welfare recipients increased from 18,000 to 26,000. I would like to point out that this problem is directly due to this government's economic policies. Many of these people are on welfare because their unemployment insurance has expired and they cannot find another job. Many of them lost their manufacturing jobs in the first place because of the Conservative free trade deal. Some lost their jobs because the GST killed their small businesses. Some lost their jobs in the retail or hospitality industry because of the cross-border shopping which has drastically increased since the GST.

The government helped these people lose their jobs, raised the UI premiums, cut back the benefits of UIC to force them off of UI sooner and now it is cutting back on social assistance. It is the trickle down theory of poverty and it is a disgrace. Since the NDP government in Ontario has been on a wild spending spree, it is finding that it cannot afford to pay for fair welfare benefits that will actually allow people and families to live in dignity.

• (1200)

Between the social Neanderthals in Ottawa and the economic Neanderthals in Queen's Park, it is a wonder there are any jobs left in Ontario.

I will say that the bungling of these two governments is certainly a good thing for the re-election chances of my Liberal colleagues and myself. It is certainly no comfort to the homeless and the unemployed and the hundreds upon hundreds of children lining up at food banks every day.

The government says it is capping the CAP because Ontario is a wealthy province. I would invite the members opposite to come to Hamilton and meet the steel workers who have lost their jobs or walk down the streets and see the stores and other businesses that are boarded up because they have gone bankrupt. Let me tell you these people do not think Ontario is a wealthy province any more. The government forgets that Ontario in relative terms has been hit harder by this recession than the other provinces.

Of course the Minister of Finance keeps telling us that the government's economic policies are all directed toward deficit reduction. They are "a necessary restructuring". I would like the minister to explain that to the kids in the food bank line up: "Sorry kids. I know you don't have enough food to eat but it is a 'necessary restructuring'. I am sorry you don't have a winter coat or decent shoes but it is a 'necessary restructuring'. I am

sorry your parents cannot find jobs but it is a 'necessary restructuring'."

Somehow I do not think these kids will find that a very convincing explanation. Neither do I.

I would like to point out the devastating impact that this bill will have on thousands of disabled people throughout this country. Government members like to point with pride to the amendments to Bill C-18 and say: "Look, we are giving disabled persons $65 million". However, these are the same members who are voting in favour of Bill C-32 which will remove more than $2 billion from Canada Assistance Plan payments. These government members voted for legislation that will cut home care for disabled persons, that will cut health care for disabled persons, that will cut rehabilitation programs for disabled persons, that will cut funding for residences for disabled persons and will cut employment services for disabled persons.

I would hope that the members opposite would recognize that many disabled persons in this country live in poverty and are going to be seriously hurt by this bill.

Government members also point to the Prime Minister's announcement in Winnipeg of $31 million a year in programs for the disabled. These same members seem to forget that more than a year ago they voted for Bill C-69 which slashed social program funding by billions of dollars and slashed Established Programs Financing by billions of dollars. These same members seem to forget that they voted to cut the jobs strategy fund by $100 million and voted to cut social housing by $411 million. They seem to forget that they voted to reduce cash transfers to the provinces for medicare.

This government has cut social programs by billions upon billions of dollars. These programs are the very ones which disabled persons rely on to help them obtain proper accommodation, help them get out of poverty and help them live in a maximum degree of dignity and freedom.

The government has undermined all the major programs which disabled Canadians need in order to succeed. I have to wonder how these government members can sleep at night, knowing what they have inflicted on these people who are among the most vulnerable in our country.

In the last budget speech the Minister of Finance had the nerve to say: "This government has done more than any other to improve the opportunities and to enable Canadians with disabilities to participate more fully and more fairly in the workplace in their communities and at home".

Contrast those words of the minister with the words used by the Canadian Cerebral Palsy Association when commenting on this legislation to cap the CAP: "The extraordinary suffering which it imposes on poor and disabled Canadians cannot be justified".

That is what disabled Canadians think of this legislation. The suffering which it imposes cannot be justified. That is what most of us think of this legislation. It cannot be justified.

I cannot support this bill. My party will not support this bill. Most Canadians will not support this bill.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, it seems that most occasions when we rise in the House of Commons these days, we have to qualify whether or not it is a privilege to be getting up and speaking. I certainly have to put that qualification on my remarks today because of the subject matter.

The whole situation in the country has been so devastating that to be talking about putting any kinds of restrictions on the amount of assistance which Canadians get from their federal government in a program which is as long established as this is is absolutely unconscionable.

I guess there are three questions we would ask ourselves on three particular areas at least. The first is why is this happening? Why is the federal government doing this? I think in the first case we would ask this question because of its philosophical antipathy toward the very people who receive the assistance from the Canada Assistance Plan.

The government has this image of people on welfare. Certainly the Canada Assistance Plan is designed to assist most people who are on welfare. It has this image in its mind of young, strapping, well-muscled people who are simply too lazy to work. That being the case, they

have no compunction whatsoever about putting on these kinds of restrictions.

The fact of the matter is that most of the people on assistance in Canada are not as these people envision them to be. Most of the people in Canada who get social assistance are children, which says a lot about how knowledgeable this government is on the conditions of the citizens of Canada, regardless of what age they may be.

Another large group of people who receive assistance are the elderly. If you add these two groups together, you find well over 75 per cent of the people who receive social assistance are the elderly or children.

It is interesting to speak of children. We all know and certainly the government is fond of saying that our youth is the future of our country. If it really believed that, it certainly would not be doing what it is doing.

I think it is interesting to look at some of the figures surrounding the matter of children and their plight in Canada today. One in six of the children in Canada are poor. A million children in Canada live in poverty. There is not enough time in a 10–minute speech in Parliament to be able to cover all the topics. I am not going to cover the whole matter of food banks.

We certainly all know the situation in the communities across Canada. In the rural communities, where one would hardly imagine that the situation could become so bad, people have to avail themselves of food banks. Food banks are becoming a commonplace occurrence in the rural areas as well.

Certainly we have this devastating effect on the children of our land and the elderly particularly. There are others such as disabled people who, through no fault of their own, mostly because of systemic and institutional biases in our society against them, are not able to make a living in our land. There is certainly no other reason in most cases that is not possible.

We ask ourselves another question. The second question is why is the government putting this cap on the provinces of British Columbia, Alberta and Ontario? It has the perception there that these are the three richest provinces in the country.

The provinces look at the debt, I suppose, per capita or the deficit per capita and they see that they are not anywhere near as bad as the federal government is. We will get into why the debt per capita on the federal side is as enormous as it is later. It looks at these three provinces and says: "Their debt is not as serious as ours".

• (1210)

An hon. member: It is soon going to be that bad in Ontario.

Mr. Fisher: That may very well be, but having succeeded a Liberal government which was doing exactly what the Conservative government has been doing federally, it is hardly any wonder.

In any event, the federal government looks at these three provinces and says: "We cannot let them get away with this. We are going to have to punish them for being, even giving them the benefit of the doubt, marginally good managers of the economy, and for not being in debt as seriously as the federal government is."

I am not going to go into great detail in all cases, but look at British Columbia and the condition of the people who receive social assistance in that province. Remember that most of these people are children and the elderly and others as well, and they are addressed here. Look at a single employable person, as they say, in British Columbia on social assistance for a lot of reasons, and we will get into some of those later. They receive social assistance to the tune of $5,900, approximately.

Look at the poverty level, as determined by the Canadian government's own report, the National Council on Welfare. It has that wonderful Canada symbol with the Canadian flag on it. We certainly have to take its numbers as being gospel. It still leaves a deficit for a single employable person in British Columbia of $6,823. A disabled person receives in welfare $8,204, but the poverty level is the same as for a single employable person, $12,727, leaving a deficit for a disabled person in British Columbia of $4,523.

A single parent with a child, and these are certainly among the most impoverished people in our land, would receive $11,687, but the poverty level for this group of people is almost $16,800, meaning that they are $5,000 short of even being at the poverty level. These are all negative figures.

There are a lot of working poor in our land who receive social assistance. A couple in British Columbia is receiving social assistance of $15,000—which sounds like a lot I suppose to the members across the way who still think that $500 a month back in the days when they were young was a lot of money and are suffering under the guise that $25,840 is the poverty level—leaving a deficit in British Columbia for people with two children of almost $10,800.

I am not going to go into detail for Alberta and Ontario, but the deficits for a single employable in Alberta is almost $9,000 a year; in Ontario it is almost $5,500. Single parents, suffer a deficit in relation to the poverty level—they do not even get up to the poverty level in Alberta—of $6,546; in Ontario it is almost $2,300. Again, the couple with two children in Alberta fall short of the poverty level by $10,000; in Ontario, by almost $6,400.

We ask ourselves a third question: Why, at least in the government's rationalization of the scheme of things, is it doing this? It is saying, in addition to the fact that it has to get some of this money out of the rich provinces, that it simply does not have any money. The federal deficit has to be addressed.

The national debt has to be addressed. We have to ask ourselves how it got itself into this mess in the first place and why on earth should the elderly and the children of our land be the ones hit with the major responsibility of trying to bail the government out of something it created in many different ways, not the least of which were the tremendous benefits in tax relief which it gave to corporations, most of them multinationals. It was pointed out earlier that they were tremendously foreign-owned. The government also gave some benefits in tax relief to some of our national institutions such as the banks.

We have a situation in which the government has impoverished the land and now is trying to get the citizens to build the country up. I guess we are supposed to lift ourselves up by our bootstraps.

Mr. John Nunziata (York South—Weston): Mr. Speaker, the Liberal Party opposes Bill C-32. We have opposed it at every stage of the legislative process.

Before I indicate some of the reasons the Liberal Party opposes Bill C-32, following the NDP member I cannot help but ask myself how hypocritical it is of the New Democratic Party here in Ottawa to be critical of this government when its friend and comrade in Queen's Park is doing just as much damage to the economy in Ontario as this Conservative government is doing in Ottawa.

Comrade Bob Rae at Queen's Park has developed a fairly negative relationship with business in the province of Ontario. He leads an anti-business government. I was going through some press clippings today and here are some of the headlines. We will see whether these headlines are conducive to a good business relationship in Ontario in order to create the jobs that are necessary.

One headline: "Ontario Business Gears up to Battle Rae's Labour Laws; Business Finds Solidarity in War of Ideologies".

What is business upset about in the province of Ontario? Yes, it is upset. I notice Bob Rae's comrades here in Ottawa are getting a little antsy and are not permitting me to speak, but I will try to ignore them.

Business is concerned about the proposed labour laws in Ontario. I would like to quote Catherine Swift, the chief economist of the Canadian Federation of Independent Business, a very reputable organization in Canada. She says: "We are dealing with an organized labour government. If there is one issue they will go to the wall on, it is this one".

Speaking on behalf of business, and let us not forget that it is business that creates jobs, it is business that provides the opportunities for people to create wealth in this country. She goes on to say: "We are going to oppose these reforms to the bitter end. This is the major battle we are going to have with this government".

At a time when we have in the province of Ontario 509,000 people on the unemployment roll at an unemployment rate of 9.7 per cent, hundreds of thousands of people on welfare, this socialist government at Queen's Park has decided to bring in this legislation in order to satisfy its union boss friends, the union bosses who are telling Bob Rae and the provincial cabinet what to do. It is bringing in this labour legislation which has totally turned off business.

According to Norman Stewart, a vice-president of Ford Motor Company of Canada Limited, the NDP government's current labour law proposals, if implemented, would scare off investment and result in massive job losses.

• (1220)

We are dealing with an NDP caucus here in Ottawa that speaks out of one side of its mouth while comrade Bob Rae at Queen's Park is doing so much damage to the provincial economy in Ontario that it really behoves the federal NDP members here to call their friend at Queen's Park and say: "Bob Rae, back off. Back off. Create a positive climate for business in the province of Ontario in order to ensure that we can start rebuilding its economy".

As the employment critic of the Official Opposition, I have had the duty over the last number of weeks to examine very closely the unemployment situation on a national basis. We all know, as a result of the six weeks we have had in our ridings, that the country is literally on its knees. Canadians are suffering. Not only are they losing their jobs, but they are losing their homes, their cars, their businesses, their dignity. This government simply does not realize the extent of the hardship and suffering.

There are 1.42 million Canadians who are unemployed. We have to think about that—1.42 million. That is 1,420,000 Canadians "officially unemployed". There are several hundred thousand more who have dropped out of the labour market and who are no longer looking for work. That is a lot of people who are suffering.

On top of that, there are over 2 million Canadians on welfare. In the province of Ontario, as I indicated, there was a 9.7 per cent unemployment rate in December. The January unemployment rate will be out tomorrow and there is every indication that the unemployment rate will rise. There are 509,000 people unemployed in the province of Ontario. There are 1.2 million Canadians collecting unemployment insurance. Last year the total cost of the delivery of unemployment insurance was over $20 billion; $20,378,000,000.

As far as it is concerned on the international scene, Canada ranks second in unemployment of the OECD countries. Only Ireland is higher than Canada, with an unemployment rate of 16.4 per cent. In metro Toronto, 78,000 jobs were lost last year; 26,000 workers in Ontario lost their jobs in permanent layoffs of 50 or more employees.

That is the background. What does this government intend to do? With Bill C-32 it intends to limit the amount of federal transfer payments under the Canada Assistance Plan to "the country's three richest provinces, Ontario, Alberta and British Columbia". When you are poor, you are poor and it really does not matter whether you are poor in metropolitan Toronto or if you are poor in St. John's, Newfoundland. Regardless of where you live in this country if you are poor, you are poor. The suffering is the same. The pain and anguish are the same.

This government has decided in its warped wisdom to reduce its deficit on the backs of the disadvantaged in Canadian society. When we talk about the people who are affected by the provisions of Bill C-32, it is not the wealthy, not the middle class, but the poor, the disadvantaged, those on welfare, those children living in poverty, the disabled, the elderly.

The government says: "We have a mandate to reduce the deficit, to reduce the debt". It does not tell Canadians that in the seven years it has been in office this government has more than doubled the national debt. It has the unmitigated audacity to blame the previous Liberal administration for the difficulties this government finds itself in.

With this particular bill, the government now wants to restrict the level of federal assistance that will flow to those three provinces, Alberta, British Columbia and Ontario. As I indicated, there are 509,000 people in the province of Ontario unemployed, 124,000 in Alberta and 168,000 unemployed in the province of British Columbia. As far as those on welfare, 917,000 people in the province of Ontario are on welfare, 156,000 in Alberta, and 244,000 in British Columbia. The suffering exists in those provinces as well as the other provinces in Canada.

I note that there is but one minute left in my remarks. I was about to go into the history of the Canada Assistance Plan. Some members were around back then and know the work that Lester Pearson and the Liberal government did some 25 years ago to bring in the Canada Assistance Plan that has served to help needy Canadians in a very significant way. With regret, it is the Conservative government that intends to cut back.

We will fight this bill. We will continue to vote against this bill. We urge the government to implement the Liberal recovery plan that was announced by the Leader of the Official Opposition a few days ago. The government has taken a cross-your-fingers, hands-off approach to the Canadian economy, allowing hundreds of thou-

sands and millions of Canadians to continue to suffer. As Liberals, we will not put up with it.

Mr. Maurice Foster (Algoma): Mr. Speaker, the bill before the House today is of the greatest gravity, certainly to the province of Ontario and, I am sure, equally to the provinces of British Columbia and Alberta because at this time Ontario is facing the worst financial crisis since the 1930s.

It looks that much worse because of the unparalleled prosperity that occurred in our province between 1983, the last recession, until the fall of 1990. Clearly we are in an incredible financial bind in the province of Ontario.

This bill that we are talking about today, because of the mechanisms that are in place in the province of Ontario, goes directly to the taxpayers in every constituency across the province.

A speech by Mr. Rae a week or so ago indicated that municipalities and boards of education and other agencies are going to be limited to a 1 per cent increase this coming year. He has no prescription for changing the economic circumstances of the province of Ontario but he has a deficit of at least $9 billion, perhaps $13 billion. He came on the television and said: "This is the problem", and did not set out any prescription for solving it.

That situation comes right back to Bill C-32 because it was the government's initiative in the budget a year or so ago to cap the Canada Assistance Plan, a program that was brought in, as the hon. member from Toronto, our critic on employment mentioned, by Mr. Pearson and his government in the period 1963 to 1968. We undertook to provide half of the funding for general welfare assistance, child support and most forms of assistance in this country.

In seven out of the ten provinces of this country, the provincial government and the federal government share those general welfare costs on a 50/50 basis. In the province of Ontario that is not the case. In Ontario, the province picks up only 30 per cent, the federal government picks up 50 per cent and the local municipalities are saddled with the other 20 per cent. This 20 per cent, in prosperous times, is manageable but in the current devastating situation which we face, especially in northern Ontario, it is a burden that simply cannot be borne.

• (1230)

I wrote to the premier of Ontario several months ago and asked that he apply, as he had committed to when he was in opposition, to sharing equally the welfare costs, as is done in seven of the ten provinces. I received a letter from the premier on January 13 in which he expressed concern for the local municipalities saying that their expenditures have doubled during the past year.

Clearly that is the case in Algoma district where we have had massive lay-offs in the uranium mines in Elliott Lake, where we have had massive lay-offs in the steel industry in Sault Ste. Marie, where the forest products industry is suffering with lay-offs and temporary shutdowns and so on. Unfortunately, in the premier's response to me, he indicates that they do provide some assistance when the unemployment goes beyond 3.5 per cent.

Mr. Speaker, we are saddled this coming winter with welfare rolls that are reported by our family and social services board to approach 15 per cent. So you can see that the criteria of the provincial government of 3.5 per cent, a great deal of it will be applied between that and the 15 per cent.

What we have here with the off-loading on to the province of Ontario when it is facing the worst economic crisis since the 1930s and the province breaking its commitment to the municipalities which it made when it was in opposition to disentangle the general welfare assistance, the assistance for single parent mothers, for foster homes, for essential living services, for disabled and handicapped people, dental care for poor families, subsidized child care for low income, safe houses for abused women. All those things are provided for under the Canada Assistance Plan and the provincial government is really not living up to that commitment. The premier of Ontario goes on and says: "The Ontario government recognizes the current financial arrangement between the province and municipality government lack accountability and simplicity". That is certainly clear. The arrangements, the regulations need to be simplified.

"We are committed to a disentanglement process to find better ways", the premier says, "to deliver our community services." He goes on to say: "A joint steering committee composed of six municipal representatives

appointed by the Ontario Association of Municipalities, OAM, and six of my cabinet colleagues are helping to realign provincial-municipal roles and responsibilities. The Minister of Municipal Affairs, David Cook, chairs the committee."

What we need is not more study by this committee but action, action that will divide those responsibilities for general welfare assistance equally between the federal and provincial governments. Bill C-32 is just exacerbating the situation. The costs are skyrocketing in Ontario and instead of sharing on a 50/50 basis, the federal government is welshing on the commitment made when the Canada Assistance Plan was set up by Mr. Pearson back in the 1960s to share equally between the province and the federal government.

Likewise, if that was being done fairly by the federal government, it would ease the burden for the province to carry out its responsibilities in sharing the cost equally between the federal and provincial governments for local welfare. Welfare costs have doubled and tripled in many municipalities at a time when many of the local ratepayers are facing unemployment themselves and difficulty in paying their municipal taxes, while at the same time the government of Ontario has put a cap of one per cent on grants to school boards. This offloads more on the local municipal ratepayers.

The government should withdraw this bill. I am sure everybody agrees with that because they realize how important the local ratepayer is in this whole chain of taxation from the municipal and federal level.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am very pleased to stand here in this House and debate third reading of Bill C-32, an act to amend the Canada Assistance Plan.

Through this legislation the government will cap the Canada Assistance Plan transfers to the three provinces, Alberta, British Columbia and Ontario. I have spoken before on this in the House of Commons and the absolutely abysmal ramifications that this legislation, if passed, will have on Canadians living in those three provinces who are being discriminated against.

Here in the nation's capital as far back as in April 1990, when the government first announced the cap on CAP, the social services committee of the Ottawa-Carleton Regional Council brought the following recommendations forward in an attempt to cut the federal government off at the pass:

That the province of Ontario be advised not to pass on federal revenue losses to the municipalities;

That the province continue to implement SARC reforms;

That the federal government be requested to retract its discriminatory capping policy with respect to the Canada Assistance Plan as it relates to the provinces of Ontario, British Columbia and Alberta;

That the Regional Municipality of Ottawa-Carleton express in writing to the leaders of the three federal parties and to the local members of Parliament its opposition to the proposed limits to the increase of federal contributions to programs to alleviate and to prevent poverty under the Canada Assistance Plan; and

That the Regional Municipality of Ottawa-Carleton request that the Federation of Canadian Municipalities undertake a federal lobby campaign to intercede in consideration of the proposed legislation to reduce the share of federal contribution under CAP to the three provinces of Ontario, Alberta and British Columbia.

These recommendations are still good today so I will not repeat my previous speech. I would really hope that the government will listen this time. It did not the last time, especially as the evidence shows more and more strongly that this government's economic policies simply do not work and are not working for Canadians.

During the debate at second reading in September, I mentioned that the three affected provinces will lose $2.135 billion in federal transfers over the five-year period through 1995-96. These numbers are from the government's own estimates. These provinces during these hard economic times cannot afford to lose this money. And certainly the province that I know the best is the province of Ontario and we all know that Ontario is being hit very, very hard in this recession.

• (1240)

The Canadian economy is mired in its worst economic crisis since the great Depression. The Conference Board of Canada is reporting a new low in consumer and business confidence. In September 1991 Canada regis-

tered its first merchandise trade deficit in 15 years. In the first 10 months of 1991 Canada's merchandise trade balance fell by $2.6 billion compared to the same period in 1990.

Some analysts are forecasting a double-dip recession. The Canadian Manufacturers' Association has gone even further by stating:

> —the Canadian economy is hovering on the brink of a 'triple-dip' recession. Trade, employment and shipments data for October and November point to a serious decline in export production during the fourth quarter of 1991.

Let us look at all of this in human terms. There was a record number of bankruptcies in Canada last year. Our oil and gas industry is in a shambles. More than 1,700 people are facing lay-offs at Imperial Oil. Thousands of jobs in manufacturing have simply vanished forever in Ontario. Unemployment opened the year 1991 at 9.3 per cent and closed the year at 10.3 per cent. Today, more than 1.4 million Canadians are unemployed. Many workers have lost their jobs permanently. Even worse, many lack the necessary skills to be competitive in the job market; 40 per cent of Canadians have difficulty with basic writing and arithmetic.

Even the employed are suffering. This past Tuesday the Conference Board of Canada told us how Canadians who are lucky enough to be working are living in mortal fear of losing their jobs. There are 2.2 million Canadians on welfare and one million children live in poverty. Two million Canadians including 700,000 children relied on food banks in 1991, a very telling statistic. And there are now more food banks in Canada than there are McDonald's restaurants.

As the federal government transfers less and less to provincial and municipal governments, they are increasingly being forced to shoulder the debt and are having to cut into the bones of their budgets to provide the necessary welfare to these 2.2 million Canadians.

I might add that as everyone in Canada knows, a municipality's only means of raising money is through property tax and grants from the provincial and the federal government and any revenues that might be earned through services at the local level. They cannot put on a 7 per cent GST; they cannot put on a provincial sales tax; they are at the mercy of the province and the federal government. Municipalities are the ones who have to pay the welfare costs. Those at the local level accept that everyone has the right to food and housing.

Providing social services is the essence of the Canada Assistance Plan. It is absolutely essential. Once a Canadian has reached the level of qualification for welfare, once all other means of support have been exhausted, the government has no right, in fact, it is obliged to provide assistance to that person.

What this government is doing with this legislation is forcing the provinces and the municipalities to do more and more with less and less. More, not fewer Canadians are being forced onto welfare by this government's economic policies. If the government callously rams through Bill C-32, less money will be available to reinforce the very bottom of the social safety net.

There are also other side effects of the cap on the Canada Assistance Plan. Hundreds of towns and cities across Canada have infrastructure projects on their books waiting for adequate funding. Our necessary streets, sewers, landfills, et cetera, are crumbling around us. What will be left of our urban infrastructure if we do not soon act?

The Liberal Party advocates that we be involved in the cost-sharing program—the federal government, the provincial governments and the municipal governments—to improve and to update the infrastructure in Canada.

The Liberal Party also advocates the use of RRSPs to finance first-time homes. This proposal would also help stimulate the housing market. The maximum allowable withdrawal would be limited to $7,500. The direct cost of such a program to the taxpayers of this nation is absolutely zero.

Another proposal of our plan calls for a shared-cost infrastructure program and I mentioned this before. Funding for these projects would be shared, one-third, one-third, one-third. The federal share would be $1 billion. Between one-half and two-thirds of the jobs created in these projects would be in construction and manufacturing and 90 per cent of the materials required are manufactured right here in this country of Canada.

Studies have shown that the net cost to the federal government after considering increased tax revenues and decreased UI and welfare payments would be $300 million. What an investment this government would have for $300 million. The $1 billion up front cost would

be funded through reduced debt-service payments which have resulted from lower than expected interest rates.

I would like to talk briefly again about my own area of the nation's capital. There is a report put out by the Social Planning Council of Ottawa-Carleton entitled, "The Other Side of Fat City: Child Poverty in Ottawa-Carleton".

I get a little sick and tired of hearing some members of this House talk about Ottawa as being fat city. We know that the most vulnerable members of our society, pre-schoolers, have the highest rate of child poverty. We know that one out of six children under five years is poor in Ottawa-Carleton, one out of six children.

We know that 29 per cent of all single-parent families in Ottawa-Carleton are poor. Single mothers have a poverty rate of 33 per cent. We know that there are 5,725 single mothers in Ottawa-Carleton. We know that 47 per cent of all poor single mothers are in the labour force. I know in my city of Nepean, which is considered to have above average income, that there are 2,120 poor children.

For the government to pass this bill it is going to have a tremendous drastic effect on the poor in this nation. Where is the conscience of this government? I plead with them not to pass this bill.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, once again I rise to challenge the government bill, Bill C-32, that would seriously restrict Canada Assistance Plan payments in three provinces: Ontario, British Columbia and Alberta.

As viewers who may be listening to speeches today will know, the Canada Assistance Plan is a very important program in Canada. It really symbolizes the nature of Canada where we really care about each other and we traditionally have assumed responsibility federally and provincially for the costs of social programs.

Canada Assistance Plan has then been a method by which the federal government reimburses provinces 50 per cent of the costs of all social services. This means of course that it is not just the cost of welfare and social assistance payments, but it is for other social programs that are equally important, such as child care services, especially for children with special needs.

The Canada Assistance Plan helps to share the cost of centres for battered women and the federal government would reimburse 50 per cent of the costs. It also helps special programs for troubled young people. I know in downtown Vancouver now we have a great concern and youth workers are needed to work with young people, including immigrant youth.

Care for the elderly, programs for seniors, all these kinds of things can be cost-shared under the Canada Assistance Plan.

If the provincial governments and in turn the municipal governments only have a 50-cent dollar to cover the cost of those programs, what choice do they have? They are going to be forced to cut many, many of these programs. It is starting already with the threat of this bill and the cutbacks in transfer payments.

The federal government not only is penalizing three provinces very unfairly and in my opinion breaching an agreement that is a national trust, but it is also cutting back on the federal responsibility in practical ways to pay for social programs.

Canada, as many speakers have said, has always prided itself on being a nation that cares and shares.

• (1250)

Higher income people should pay more, perhaps, toward the costs of social programs right across the country. That is not a large cost. It is not as large a proportion of our budget as people may think.

What is the government doing? It is proposing in this bill to penalize the three provinces that are facing great economic hardship and are in danger of becoming impoverished just as much as some of the poorer provinces in the country. It is cutting back on their Canada Assistance Plan payments from the federal government.

Why is this? It is hard to justify that in these kind of times the government would be penalizing people and through the provincial cutbacks will be hurting the people who are hurt most and least able to defend themselves in this country and they are the poor.

The government has the rationale of course, that by cutting transfer payments to these three so-called rich

provinces, which are not rich at all these days, this will help to pay for the deficit. What would help to pay for the deficit would be to get people back to work and get them paying taxes.

Another thing that it could be doing and which we have proposed repeatedly is to have tax reform which would mean that corporations and wealthier Canadians would pay a higher proportion of taxes. Why should the lowest-income people in the country be the ones who are penalized for the federal deficit?

I would like to quote just one statistic here. Stats-Canada has shown that spending on social programs is responsible for only 6 per cent of the national debt. Tax breaks to wealthy individuals and corporations is responsible for 44 per cent of the debt. There you have it.

What the federal government should be doing is having tax reforms that would bring in the money to help with the deficit which we all recognize is a serious problem. It should not take social services away from poor people, children and families who are struggling.

This is not surprising. This is part of the Conservative philosophy; it is part of the philosophy of the trade deal with the United States. It is part of the so-called free market approach to things which is *laissez-faire*, that you must reduce social programs. We must bring our programs down to the very low level playing field which is common in the United States.

Canadians do not want that. I think that over and over again, we have seen in these constitutional forums and so on that Canadians think social programs are very important. They are the things that make us Canadian. We are proud of them and we think the federal government should be improving them, not cutting back by this kind of capping of CAP.

What impact will Bill C-32 have more specifically? I just want to say in my province of British Columbia, it is a very heavy burden. It is totally unfair. Our new NDP government in British Columbia has discovered that there is a secret deficit which was not made public, a $1.7 billion deficit. When the books are probably all finished, it will probably be closer to $2 billion.

I am told that 67 per cent of this deficit in British Columbia is caused by the loss of federal transfer payments. This federal government is creating that deficit, the very government that says it is against deficits. Its cuts to Established Programs Financing and the Canada Assistance Plan are responsible to a very large degree for this debt.

I should say that our new finance minister, Mr. Glen Clark, who happens to be the MLA for Vancouver—Kingsway has predicted that the total Canada Assistance Plan cut to British Columbia over five years will add another $1.2 billion to the deficit.

No matter how you look at it, that is putting a terrible burden on provinces that are struggling with economic hardship and whose people are suffering unemployment.

Ontario, of course, no longer is the rich industrial province that it was. We all feel very strongly for what Ontario is going through these days with the recession and now de-industrialization, plant closures and massive job lay-offs.

The federal government is hitting on Ontario the hardest and it is doing it in, I must say, a punitive way that has a very strong political component to it. When it is down there and in economic crisis with terrible rates of unemployment, the federal government, instead of increasing funds for social service programs, is again cutting them drastically. It is inconceivable that we could be doing this, especially when we can get funds from the sources that I mentioned.

This is a huge burden for provinces, Alberta as well. The only thing they can do then is to cut social services and cut funds for job creation that should be there, and have their debts increased.

The federal government has abrogated its responsibility under the Canada Assistance Plan. For many years this has been a federal cost-shared program and it is something that I am sure Canadians would want to maintain.

The impact on families, of course, is the real tragedy because as this shift down the line with cuts from provinces to municipalities and others, then non-profit agencies cannot provide the services because they simply will not have the funds to do it.

So we have more people on welfare without support services, wage-earners who are getting increasingly depressed and people who are employable and have worked all of their lives on welfare for the first time. The sense of failure and hopelessness that goes along with this soon makes people unemployable in the future. They have no money for their kids. There is stress on

marriages and they break up. Young people are not getting the chance they should have for the future.

No matter how we look at this bill, it is grossly unfair. I think we should have something in our Constitution that will prevent this kind of unilateral failure or cuts by government to provinces.

We feel very strongly that this bill should not be supported. It means that social assistance rates will remain below the poverty level. I must say the National Council on Welfare says the social assistance rates right now average 56 per cent of the poverty line. The only alternative that provinces have is to cut support services.

In closing, I would just like to say that we believe instead of cutting CAP to these three provinces, the government should be reforming taxes to help with the deficit. It should be putting people back to work by having a more positive economic strategy in co-operation with provinces.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I am pleased to rise to participate in the debate on Bill C-32, particularly as a member of Parliament—

The Acting Speaker (Mr. Paproski): It is getting awfully close to one o'clock. Maybe we should call it one o'clock so we will not break up the hon. member's speech.

It being one o'clock, I do now leave the Chair until two o'clock this day.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

OLYMPIC GAMES

Mr. Peter L. McCreath (South Shore): Mr. Speaker, the 16th Olympics are about to begin in Albertville, France. One hundred and forty-five of Canada's finest athletes are eager to give their best.

Canada proudly supports the noble tradition of these games. Over the years, this support has led to the development of a strong Canadian sport system, a system that allows us to send impressive teams like the one now in Albertville.

Competing for one's country in the spirit of goodwill and fair play is a great accomplishment for any athlete. Within this international arena, our athletes demonstrate not only their own determination and dedication, they also reflect the values cherished by the nation they represent, Canada.

The Olympic Games serve to ignite our national pride, bringing Canadians from every cultural and linguistic background together as we cheer on our athletes. Without a doubt, all Canadians who actively support our athletes, whether they be coaches, administrators, sponsors, parents, friends or the fans and spectators who cheer them, are an important part of Canada's team.

I know that all hon. members will join me in applauding Canada's team, in wishing our Olympic contenders all the best over the next couple of weeks.

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GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, the dairy farmers of Prince Edward Island are very afraid of what will happen at the GATT in the coming weeks and months. There is great pressure from many countries, especially the United States, to bring to an end our supply management system and marketing boards.

The outcome of the agricultural talks at GATT could mean the end of our price guarantees and support for producers in the dairy, egg, chicken and poultry sectors. Not surprisingly, thousands of farmers in this country are lobbying hard to ensure that the federal government does everything it can on the international scene to protect supply management.

Like never before, the Prime Minister must use any influence he has with the Americans and others to protect the family farms and ensure the stability of rural Canada.

S. O. 31

THE MONARCHY

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, today marks the 40th anniversary of the accession of Her Majesty, Queen Elizabeth II to the throne in 1952. Our Queen unites Canadians of every ethnic background or origin.

Her Majesty has reigned over Canada longer than any other monarch since Confederation. How lucky we are to have, as Queen of Canada, a figure who has truly become the first lady of the world.

When leaving California for British Columbia in 1983, the Queen told an American reporter: "I am going home to Canada tomorrow." The Queen will again be home in her capital of Canada to preside at the 125th anniversary of Canadian Confederation on July 1.

As loyal Canadian subjects of Her Majesty, it is appropriate for members of this House to join with Canadians in all walks of life to take note of this auspicious anniversary of Her Majesty's accession.

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EASTERN TOWNSHIPS

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, tomorrow is the 200th anniversary of the opening up to settlement of the eastern townships in Quebec.

On February 7, 1792 the Lieutenant-Governor of the newly formed colony of Lower Canada rose in the Parliament in Quebec City and announced that the Crown lands in that area would be surveyed and divided into townships. In the next year, surveyors began work and produced the map which we know today with, because of the context of the time, English name places like Ascot, Orford and Eton.

Professor John Rittenhouse, historian at Bishop's University, remarked recently that in contrast to the French and American revolutions, the proclamation of the townships is an example of how our country was built. "In Canada, we do it administratively", he said. "It was a question of trying to put together a country."

It is also worth noting that despite its English beginnings, English and French speaking persons have lived together harmoniously in the townships, or *l'Estrie* as some prefer to say, for 200 years. That is a good example for all Canada at this time in our history.

Like many Montrealers, I have the privilege of getting to the townships from time to time, so it gives me particular pleasure to highlight the 200th anniversary of the establishment of the townships.

I know that all members join me in extending best wishes to the townshippers.

* * *

EDUCATION

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, the headlines in *The Toronto Star* today read: "Ontario schools doing poorly in testing". Canadians will now look to find fault somewhere if not everywhere. When our students fail we all fail.

Beth McGuire of the Ontario Federation of Home and Schools says: "This is not the time to be bashing the education system, we should instead be celebrating the success of some of our outstanding students."

I am proud to rise in the House to recognize two of our outstanding graduates, both of whom were born, raised and educated in Sault Ste. Marie.

Roberta Bondar was the first Canadian woman to travel into space aboard the NASA space shuttle and completed her experiments with consummate skill and professionalism.

Dr. Robert Korneluk, as head of a research team, has isolated the genetic defect believed to be the cause of muscular dystrophy, a most significant medical breakthrough.

Let us praise, let us promote, let us respect the accomplishments of Roberta Bondar and Robert Korneluk, two scientific pioneers who have contributed not only to a better Canada but to a better world.

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[*Translation*]

INTERNATIONAL DEVELOPMENT WEEK

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, from February 3 to February 7, International Development Week gives us an opportunity to learn more about the developing world. Various activities are being organized across the country by schools, non-governmental organizations and community groups, to make us better

acquainted with African, Asian and Latin American countries.

This year's theme stresses the fundamental link between development and the environment. Mr. Speaker, our future depends on whether we are prepared to act jointly to seek national and international solutions to global problems, especially those that concern the environment.

We all have a role to play in our respective communities, and I would urge all Canadians to do their share in preserving our environment and supporting our government in its international development activities.

* * *

[*English*]

JOB DEVELOPMENT PROGRAM

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today on behalf of the municipalities of Glace Bay, Waterford, Dominion, Cape Breton county, Louisbourg and Richmond county, all communities within the federal district of Cape Breton—East Richmond that call upon the Minister of Employment and Immigration to provide more funding under the job development program.

At the present time the level of unemployment in my constituency as well as in eastern Nova Scotia is exceptionally high. It is very important that the Government of Canada allocate sums of money to provide these individual Canadians in that particular area with some semblance of hope for their economic future.

With high unemployment, unprecedented welfare rolls, unprecedented use of food banks, the morale and spirit of the people who live in that particular area of the country is at an all-time low.

I call upon the Minister of Employment and Immigration to act expeditiously to assist those municipalities and the residents of those communities.

S. O. 31

COLGATE-PALMOLIVE CANADA INC.

Hon. Alan Redway (Don Valley East): Mr. Speaker, last month Colgate-Palmolive Canada Inc. announced the closing of its Wicksteed Avenue facility in Toronto. This followed hard on the heels of the announced closing of its New Westminster, British Columbia facility and its long-time manufacturing plant at 63 Colgate Avenue in Toronto.

As a result of these decisions, Colgate-Palmolive no longer manufactures any of the following products in Canada: ABC and Arctic Power laundry detergents; Ajax cleaners; Palmolive dish soap and Electric dishwasher soap; Irish Spring and Palmolive bar soap; Javex bleach; Fleecy fabric softener; and Scrub and Shine liquid cleaners. In fact, the only product Colgate-Palmolive will continue to make in Canada is Colgate dental cream.

There is a message in this for all of us who are truly concerned about plant closings and manufacturing job losses. Buy Canadian. Clean your teeth with Colgate dental cream but do not wash with Palmolive soap.

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[*Translation*]

GUN CONTROL

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, a few days ago, we heard that the product Dye Witness will now be a prohibited weapon. Dye Witness is an aerosol can filled with green paint. It is not dangerous to your health and is used mainly by women as a defence against eventual attackers. Thanks to Dye Witness, the attacker is dyed green for a week.

Mr. Speaker, I was flabbergasted that a weapon as inoffensive as Dye Witness could be taken off the market overnight, when we have not yet succeeded in banning military and paramilitary weapons. In fact, we are still waiting for the regulations on gun control.

When will the minister finally table the regulations Canadians want, so they can protect themselves and their children against the free circulation of firearms?

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, we are presently in the crucial stages at the GATT talks in Europe.

Canada ranks second to lowest in the cost of a typical food basket among western nations and the quality of our products is second to none.

Under the current GATT negotiations, Canada is calling for the reduction of export subsidies and the clarification of article XI. Should article XI not be clarified and even worse, replaced with tariffication, the supply management system as we know it would be weakened to the point where eventually it would not protect these sectors at all.

On Tuesday morning, representatives from the five supply managed sectors pressed their point here in Ottawa. In a market analysis they conducted, they predicted decreases in revenue each year and half of the farms disappearing in some sectors if tariffs replace the quantitative import restrictions we now have. This is what the future holds for us if the Dunkel proposals go ahead.

• (1410)

On behalf of the food production sector, I urge the government and the country's representatives at the GATT talks to stand their ground with regard to article XI. Canada has too much to lose.

* * *

[*Translation*]

INCOME TAX

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, Father Alfred Couturier and Mr. Gilles Bourgeois, of Amos, and Mr. Léo Lacroix, of Barraute, in Abitibi, recently wrote to me to tell me that they found it unfair that married couples paid a "marriage tax" in 1989 that amounted to $570 per couple, on average, and as much as $980 in some cases. The Income Tax Act has not changed since then. They think that the government is thus penalizing married couples, when it should encourage marriage and family stability.

Mr. Speaker, I ask the Minister of Finance and the Minister of National Health and Welfare to act as soon as possible to remedy this situation which is unfavorable to Canadian family life.

* * *

[*English*]

UNEMPLOYMENT

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, yesterday in B.C. more jobs were lost because of the free trade agreement. The Department of Employment and Immigration has given work visas to foreign workers to dismantle the Wolverine copper tubing plant in New Westminster. The equipment is being shipped to Korea.

Section 15 of the trade deal permits foreign workers to do anything from pipefitting and welding, to crane operating and truck swamping. Now Canadians are even being deprived of the job of dismantling the plant where they already lost 200 jobs. Where does this end?

Three years ago, the Bureau of Competition reversed its own decision and allowed a Canadian copper tubing plant to be sold to U.S. interests. These owners then shut the doors and 200 jobs were lost.

Last night on B.C. TV news it was revealed that a U.S. based contractor had been hired six months previously to dismantle this plant, even though the company was encouraging an employee buyout.

After all that has happened to the many Canadian workers who have lost their jobs, must they now stand back helplessly as the government allows foreign workers to enter Canada, pack up Canadian jobs and ship them away?

* * *

MEMBERS OF PARLIAMENT

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I would like to share with members of the House the results of a survey I conducted recently in my riding of Halton—Peel.

I asked all constituents to respond to 14 simple questions, to give me comments on the government's policies and also on our political system. To my amazement, more than 4,000 households took part in the survey, allowing me to write a lengthy report.

The results of one question will be of interest to members. I asked if MPs should always vote in this House according to their constituents' wishes or should an MP listen to all views and then vote as he or she thinks best.

People indicated they think the MP should widely consult and inform the public. By a margin of more than two to one, they told me that an MP should vote in this House as he or she thinks best. The message seems clear. People want MPs who think and lead and who are not just trained seals.

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[*Translation*]

SMALL AND MEDIUM-SIZED BUSINESSES

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, small and medium-sized businesses are the engine of our economy. Quebec has 25 per cent of the small businesses in Canada, but unfortunately, it recorded 38.6 per cent of Canada's business bankruptcies in 1991.

Last February 26, the then Minister of Finance, in presenting his budget, said: "This budget sets out a plan for economic recovery—a strong, confident recovery". What a disaster his forecast was.

The present Minister of Finance should implement the Liberal economic recovery program to help the remaining businesses avoid bankruptcy and to create lasting employment and give Canadians hope.

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[*English*]

MEDICAL RESEARCH

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, I rise to congratulate a Canadian scientist and his colleagues for their work.

It was announced yesterday that a major breakthrough into a better understanding of one of the world's most commonly inherited neuromuscular diseases has been made by a Medical Research Council of Canada scientific team. The landmark finding was made in collaboration with scientists from three other countries.

The Canadian team, headed by Dr. Robert Korneluk of the Children's Hospital of Eastern Ontario here in Ottawa has located the site of the defective gene responsible for myotonic dystrophy. The research was done in collaboration with scientists in the Netherlands, Great Britain and the United States.

MRC, the major federal agency funding medical research in Canada, provided more than $400,000 in support of Dr. Korneluk's research. The research was also supported by the Muscular Dystrophy Association of Canada and its U.S. counterpart. On a world-wide basis, the disease affects about one in 800,000 people.

In closing, I am proud the Government of Canada has supported this important research and I wish to reiterate my commitment to medical research by this government.

* * *

INTERNATIONAL DEVELOPMENT WEEK

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, with the end of the cold war the United Nations is now reorganizing its priorities. An unprecedented meeting last week of the Security Council heads of government has given rise to fears by Third World countries that their concerns are being given low priority in the United Nations.

The issue of most concern to the south is economic development. What it sees is the rich industrialized north focusing primarily on the economic needs of eastern Europe and on political issues.

Canada should show its commitment to International Development Week by using its high standing in the United Nations to bring together Nordic countries, France, Australia and the non-aligned movement and others, to ensure that the pressing economic concerns of developing countries are given high priority at the United Nations.

Canada should lead the way in ensuring that the United Nation focuses on strategies that the developing countries themselves articulate which will end hunger, disease and illiteracy. By doing that the UN will ensure a healthier, more equitable and politically stable world for all.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Acting Prime Minister, in the absence of the Minister of Finance.

The Minister of Finance keeps talking about the economic crisis as a restructuring problem. I would like to ask the Acting Prime Minister how he intends to restructure the situation facing people lined up at food banks in this country. What is he going to do to restructure the situation so 700,000 children do not have to line up at 1,300 food banks? What is he going to do to restructure the fact that one in ten of the people living in homeless shelters across this country are children?

Are they part of the restructuring problem, and what is his solution?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I believe that the record on help to children by this government—

Some hon. members: Oh, oh.

Mr. Speaker: The hon. minister.

Mr. McDermid: Thank you, Mr. Speaker. I believe the record on help that this government has given to children over the years speaks for itself.

I might say to the hon. member that there is a commitment by the Minister of National Health and Welfare, there is a commitment by the Prime Minister of this country, and there is a commitment by the Minister of Finance to take a look at the situation as to the affairs of young people, children. I am sure that she will hear some news in the not too distant future in that regard.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my supplementary question is for the Acting Prime Minister.

The Minister of Finance is so intent on defending failed policies that he has closed his mind to constructive alternatives. Yesterday he went on the attack against the idea of a national shared-cost public works program. I hope the Acting Prime Minister will take a more constructive attitude.

The FCM today has written to the Prime Minister asking that a national public works program be placed on the agenda of the First Ministers' Conference next Monday.

Will the Acting Prime Minister today, along with the Prime Minister, announce that the federal government will launch such a program? Or, at the very least, will he use the opportunity of the First Ministers' Conference next week to explore this much needed idea with the premiers across this country?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the Prime Minister of Canada has made it very clear to the premiers that he is prepared to sit down and discuss any item that might be of benefit to Canada.

• (1420)

At the same time he is aware of the fiscal restraints that we have in this country, that all provinces have, that all provincial premiers including the New Democratic Party premiers are talking about now, that they have to cut costs and they have to watch their expenditures because, as Premier Harcourt of British Columbia said, we cannot spend our way out of a recession.

I might say to the hon. member the other thing we have to remember is that the Liberal plan is asking for a billion dollars from the federal government, a billion dollars from provincial governments, and a billion dollars from municipal governments, all coming from one person, the taxpayer, the guy who pays the buck. There is only one person who pays all three billion dollars. I am not sure that municipalities are prepared to go to their taxpayers today and ask for another billion dollars.

Ms. Copps: I would like to know who the minister thinks is currently paying unemployment insurance and welfare benefits, because it is those same people who would prefer to pay money to put people back to work.

* * *

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Ms. Sheila Copps (Hamilton East): My supplementary question is for the Minister for International Trade. Yesterday, the Prime Minister claimed that he had done everything to settle the matter of article XI of GATT. Following the latest negotiations on the Dunkel report in

December, we know that the Prime Minister has failed totally on the GATT issue. Can he tell us today how he will change his negotiating policy to give back some hope to farmers across Canada who now believe that they will lose their livelihood?

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I do not know what the hon. member is referring to when she makes that outrageous statement.

What the Prime Minister has done on a consistent basis, whether it is in meeting with the farm leaders and expressing his solid commitment behind their position or in statements he has made in meetings with President Delors of the European Community, President Bush, President Mitterrand and Prime Minister Lubbers at the time when he was the head of the European commission, is stated the position of the Government of Canada, that we are in support of the strengthening and the clarification of article XI because that is the best way that we can support the supply managed system that is so important to our producing farmers.

That is the position of the government and that is the position the Prime Minister has consistently stated.

* * *

THE ECONOMY

Mr. Joe Fontana (London East): Mr. Speaker, my question is for the minister of state.

The Federation of Canadian Municipalities again today, as it has for the past four years, called on this government to invest in this competitive Canadian infrastructure. I might add that not one province, not one municipality, has refused to participate in the shared-cost infrastructure program.

The projects are ready and they can be implemented in 30 days. It is not going to have an effect on the deficit; it is deficit neutral. It will save on the unemployment insurance. It will save on welfare costs. It will rejuvenate the economy and create thousands of jobs.

When will this government stop making excuses and start investing in Canadians?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, it is interesting to hear the Liberals come up with this revolution, this great new policy.

I believe back in 1981 or 1982, or maybe a little earlier, the federal government under the Liberals participated in municipal infrastructure programs. They were the ones who cancelled them because they said they did not serve a useful purpose.

Mr. Joe Fontana (London East): Mr. Speaker, isn't it interesting that this minister thinks creating jobs is revolutionary?

This program has the backing of economists, provinces, municipalities and the private sector, including the chairman of the Bank of Montreal who said that helping Canadians without work made good business sense. John Redfern, chairman of Lafarge Canada Inc., said: "An efficient infrastructure is necessary in order to maintain a strong economy".

I ask the minister again: Why won't this government act now and introduce a program that will strengthen the Canadian economy?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, that is a matter of debate. I would say to the hon. member that in bringing in a program like this we are not creating jobs. We are making work. They are not meaningful jobs. They are not long-lasting jobs. They are not jobs that will contribute to the economy in the long run.

That is our goal. That is what we want to do and I think that is what people want. They want full-time meaningful work, not a handout for a few months' work.

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

Indicators continue to show that Canadians have a lack of confidence in the Canadian economy. This week 70 per cent of Canadians polled show that they did not even have the confidence to make a major purchase. No confidence means no jobs. No jobs mean over three million Canadians unemployed and a $30 billion expenditure by taxpayers to support unemployment.

How does the government plan to pay for this rising cost of unemployment? Does the government plan to raise taxes or raise the deficit to cover the cost of unemployment?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, we have within the fiscal framework been able to help in a number of areas over the last short period of time.

I remind the hon. member that we helped the agricultural community this year with some $800 million. We helped the transportation industry, the truckers, the railways and the airlines, which maintained jobs and helped the economy of Canada.

We helped preserve jobs at de Havilland and we did that within the fiscal framework. We helped with the book publishing industry which was announced by my colleague just recently and was well received by the book publishers. As a matter of fact last night they publicly thanked the government for the help at a gathering that the hon. member for Hamilton East was at, as well as a number of others from the House.

We helped with equalization payments with the provinces that receive equalization payments. There has been a tremendous—

Mr. Speaker: Perhaps we should go on to the next question.

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

The government is not helping by slashing the CAP payments to maintain the kinds of social health services the provinces need to help their people. There are some concrete things this government can do and it is refusing to recognize them.

Today the Federation of Canadian Municipalities presented a proposal for a national municipal infrastructure program, a program that would create 63,000 jobs every year it is in effect, that would generate new revenues and that would give a massive boost to our economy.

Will the government show that it really wants to get Canadians back working and support this program in its new budget?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I can tell my hon. friend that first of all her statement on slashing CAP is just not true. There is no restriction on CAP increases for the seven provinces and there is a 5 per cent increased cap on CAP for the three other provinces. We are not slashing; we are actually increasing CAP.

If the hon. member were fair and honest with the House, I am sure she would have put her question in a little different manner.

As far as the association of municipalities is concerned, it has made the same proposal to the Minister of Finance for the last number of years. Ever since the Liberals cancelled the program it has made this proposal. Every year we look at this proposal. We will look at the proposal again. We will always give it consideration in the context of the over-all plans of the government and within the fiscal framework of the government of which we always have to be mindful.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I remind the minister that they cannot build an economy on a crumbling infrastructure. I do not know what there is to look at. If we are going to be prosperous, if we are going to compete, we need an infrastructure in our communities to make it possible to do that.

[*Translation*]

Mr. Speaker, unemployment and welfare are expensive. It costs taxpayers a lot of money and leaves all those people without hope. I received the following letter from an unemployed man: "I cannot sleep at night. I do not know where I will find money so I can eat. It is hard to keep hope for the future when one cannot survive from day to day".

When will the government give these people a little hope? When will it stop saying that unemployment costs nothing?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the government has never said that unemployment does not cost. We know it does. But there are different ways of getting out of the problem. The socialists would have us spend our way out. Well, some of them; not all of them. The new premier of British Columbia says that you cannot spend your way out of a recession. He says you have to have the basic right to be ready to grasp the opportunity which is coming now because we are coming out of a recession and the signs that are showing are good.

• (1430)

We have been able to help the economy and the provinces through means that were announced by the Minister of Finance last week and, I might say, well accepted by them. There is a budget coming up later on, in the not too distant—

Mr. Speaker: I think we will really have to move on.

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GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. John Harvard (Winnipeg—St. James): Although it took a week, Mr. Speaker, we appreciate the NDP's support of the Liberal public works program.

My question is for the Acting Prime Minister. Canadian agriculture has a huge stake in the GATT negotiations and the so-called Dunkel report has prompted grave concerns in the supply management sector.

The government should share with us what it knows about the possible effects of the Dunkel proposals on supply management. We take it that the government has already completed an impact study. Would the government table that document in the House this afternoon? After all, Canadians deserve to know the contents of that study. The life of an industry is on the line.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, as the hon. member well knows, the Government of Canada is also concerned about the impact of the Dunkel report and has made those views known directly to Mr. Dunkel, to some of the other contracting members of the GATT, as well as to the members of the farm community.

We have shared with the farm community, at its request, a study that has been done on what the levels of the tariff equivalents might be were the Dunkel proposal in effect. That was done at the request of the farm community. It has not requested an impact study so that work has not been done.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is directed to the same minister.

I have good reason to believe that copies of an impact study have already been given to government members. Since these issues affect farmers and Canadians in general, will the minister table in this House all matters related to the GATT talks and their impact on the agricultural industry?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, the Minister of Agriculture made this very clear, and we will mention it this afternoon, because—for the hon. member's information—the federal-provincial conference on agriculture is scheduled to start in about half an hour.

Incidentally, the marketing board community and Canadian farm leaders did not ask for a specific impact study on these factors. They even asked us to leave the tariff system alone.

In any case, Mr. Speaker, if Canadian farm leaders say they wish to discuss these aspects, we will of course consider doing so. So far, however, we have had no requests for a study of the impact of tariffs on marketing boards, Mr. Speaker.

* * *

[*English*]

THE ECONOMY

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Acting Minister of Finance. His boss the Minister of Finance said, according to Canadian Press, that he would be "a monkey's uncle if anyone can find money in the federal budget to finance a cut in the GST". Mr. Speaker, you had better break out the bananas for the minister.

Some hon. members: Hear, hear.

Mr. Gray (Windsor West): I say this because Matthew Barrett, chairman of the Bank of Montreal, says that because of lower interest charges the government does have the money either to spend or cut taxes to get the economy moving.

I ask the acting minister: Will the government bring forward a full program to get the economy moving and to create jobs without further delay and certainly no later than the next budget?

Hon. John McDermid (Minister of State (Finance and Privatization)): I know my hon. friend fairly well, Mr. Speaker. I am surprised that he did not look into the figures that Matthew Barrett brought out before he

stood in the House and supported them, because the figures that Mr. Barrett used were erroneous.

Some hon. members: Oh, oh.

Mr. McDermid: As a matter of fact they were totally erroneous, and you will see that very clearly when the accounts are in. But I must say to the hon. member that I will make a deal with Mr. Barrett. If he renegotiates every one of the mortgages his bank has with the people who hold the mortgages on homes and reduces the interest rates for them so that money could go back into the economy, then maybe we will take another look at it here.

Hon. Herb Gray (Windsor West): Mr. Speaker, I will leave the acting minister to deal with someone who I would have thought to be his friend and supporter, the chairman of the Bank of Montreal.

If the acting minister and his government are sticking to the view that low interest rates alone are the basis for economic recovery, can he explain why for the second week in a row his government is supporting increases in the bank rate by the Bank of Canada and along with it an unnecessary propping up of the Canadian dollar? Why is he supporting this foolish course of action?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, as the hon. member may know, if he has been reading the financial papers, a brokerage company in the United States gave some advice based on false information that it should sell the Canadian dollar.

The bank moved last week to prevent a run on our Canadian dollar, which I think was a prudent thing to do. As a matter of fact it did that when the hon. member sat on the Treasury benches back when—Heaven forbid he should ever get there again—he was in government.

I might also point out that the bank rate today did increase but by only four one-hundreths of a penny. It is a levelling off period and a cooling off period and I think the bank made the right decision.

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TELECOMMUNICATIONS

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I have in my hand a copy of a confidential proposal on telecommunications services submitted by the United States at the current GATT negotiations. The proposal would throw open Canada's doors to unfettered foreign competition and investment into our telecommunications market. It would strike a binding agreement for full market access and national treatment for domestic and international long distance services.

I would like to ask the Prime Minister what action Canada has taken to turn back this looming and portentous threat of American takeover of our Canadian telecommunications industry.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I am not going to comment one way or the other on some speculative proposal. We are right now in the fairly intense stages of negotiations on reduction of tariffs and also on the various offers for service.

We have our own position on this. Other countries have their own positions. We are putting forward those positions based on the advice we have received from our industry. It is on that basis we believe the position we have is a strong one and will be supportive of the interests of our domestic industry.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, annex 1404 of the Canada–U.S. Free Trade Agreement, which I also have in my hand, currently protects Canada's telecommunications industry from foreign competition. This new proposal is clearly a way for the United States to skirt the FTA provisions and gain access to Canada's telecom market.

Will the Prime Minister advise whether a similar proposal has been put forward by the United States in the new round of trilateral negotiations or will he advise whether he is once again selling Canada out?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the hon. member always resorts to some excessive language at the end of his question. Unfortunately it undermines the whole intention and impact of the question.

I would say to my hon. friend that the negotiations in NAFTA have not progressed that far. As I said in my previous answer, we are consulting very closely with the telecommunications industry, as well as with other industries, in support of any positions we put forward in the NAFTA negotiations. The positions that will be

taken will be very much supportive of the strength we have developed in that industry.

* * *

[*Translation*]

VALUE OF THE DOLLAR

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is directed to the Acting Prime Minister. Our high dollar is one of the reasons why jobs are being lost, including 15 per cent of the jobs in the manufacturing sector during the past three years. The Minister of Finance has always maintained that we could not manipulate the value of the dollar. Today, however, the minister admitted that the government was manipulating the value of the dollar upwards. Are you giving us a high dollar to destroy more jobs in this country?

• (1440)

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): No, Mr. Speaker. The dollar has fallen some 4 cents in the last few months.

Mr. Jim Peterson (Willowdale): Mr. Speaker, our interest rates are still more than double those of our principal competitor and our dollar is knocked down to a level where not any business person in this country is happy with it.

There can be only two explanations for stepping in today. This government is either driving the dollar up and is deliberately manipulating it so we will have a high dollar, or else this government thinks that our economy is so hot that it has to put the brakes on it. This means more lost jobs, more plant closures.

Will the minister tell us who, other than our foreign competitors, does this government think it is helping with its high interest rate–high dollar policy?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, this government has neither.

[*Translation*]

AIR TRANSPORT

Mr. John Manley (Ottawa South): Mr. Speaker, my question is directed to the Minister of Transport. On Tuesday, he said, and I quote:

> It is in the best interests of consumers and the travelling public in this country to have two airline companies that are in the best possible shape, and that is what we want to achieve in the months to come.

[*English*]

My question is this: Does this mean that the minister does not accept, under any conditions, the proposals of Air Canada that would ultimately lead to a merger of the two Canadian airlines?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I think the hon. member will understand that the Minister of Transport cannot accept any proposal that has not been made to him yet.

Mr. John Manley (Ottawa South): Mr. Speaker, perhaps the minister would answer this question: Is he or the government prepared to ensure that in the next few months Air Canada does not engage in any anti-competitive practices such as predatory pricing which might lead to further destabilization of the airline industry in Canada in order to precipitate the acceptability of such a proposal?

Mr. Speaker: The minister may wish to answer the question. It is getting awfully close to hypothetical.

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, again I think the hon. member will agree that we have a very efficient Department of Consumer and Corporate Affairs that is overseeing this matter.

* * *

[*Translation*]

TAXATION

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Finance. For several months we have been working with the Conservative member for Calgary North, who proposed a new federal tax strategy for families. His proposals are a response to concerns expressed by families, family and religious organizations and federal members. Could the

minister give us the assurance that his department will give careful consideration—before the budget—to this new strategy that would help improve the financial situation of married couples with children and that of single parent families in this country?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the Prime Minister was extremely concerned about family issues and a family caucus was organized within our government, led by the member for Calgary North who has done an excellent job. He has made certain suggestions to the Minister of Finance which I can assure all members of the House will be given very careful consideration for the upcoming budget.

* * *

AIRLINE INDUSTRY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport. Polls released today indicate that 85 per cent of Canadians want a made-in-Canada solution to the financial problems facing Air Canada and Canadian Airlines.

Will the Minister of Transport commit himself and his government to finding a made-in-Canada solution? Will he further commit himself to not raising the threshold of foreign ownership in any Canadian airline or in any Canadian transportation entity? Will he make that commitment?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the hon. member will remember I have said for many months, whenever either of the two airlines make a proposal to salvage the industry and salvage the competitive nature of the aviation industry in Canada, that we would look at it.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, while I recognize that the minister has not received any formal proposals from anyone, he must be aware that there have been discussions between officials of the airlines and the Government of Canada. He must realize that Canadian is desperately seeking some solution. He also knows that the CEO of American Airlines was in Toronto this week.

Will he make a clear indication to the people of Canada that he will not deviate at any time for any reason from the 25 per cent maximum foreign ownership prescribed in the National Transportation Act?

Hon. Jean Corbeil (Minister of Transport): Maybe I have not been clear enough, Mr. Speaker. We will look at any proposal that will ensure that we maintain a viable, efficient and secure airline industry in Canada.

* * *

[*Translation*]

CROSS-BORDER SHOPPING

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs.

Given that Canadians shop more and more across the border in the United States, does the minister intend to launch a buy Canadian campaign or to announce some other measure to counter the disastrous effects of cross-border shopping?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, the hon. member raises an interesting question.

Yes, I have seen the newspaper article about it. I must point out that a study published this year showed that Canadians' major expense items—housing, transportation, education, health—cost less in Canada than in the United States if the broader picture were considered and not just the price of a quart of milk or a pound of butter.

So I think that a campaign to make Canadian consumers aware of the importance of buying at home and particularly, Mr. Speaker, of participating in the prosperity and competitiveness initiative of the industry and employment ministers will make Canadians realize that if we are more competitive, the Canadian market will be more active and consumers will gain thereby, Mr. Speaker.

* * *

[*English*]

OIL INDUSTRY

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources.

Is the minister aware that Gulf Canada, which just pulled out of its $1 billion commitment to Hibernia, has now made a similarly large commitment to an oil project in Siberia? Will the minister confirm what Revenue

Canada told Gulf, namely that it could deduct 100 per cent of its costs in Siberia over 10 years from its taxable income in Canada?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, Gulf Canada, along with Brit Gas, has a deal in Siberia. The expenditure profile, as I have been given to understand, is about $250 million Canadian of which Gulf owns half. It could result in the kinds of figures that the hon. member has mentioned. Gulf got its first oil out last week, I believe Thursday to Friday night.

That being the case, I remind the hon. member that what he said about the write-offs for Canadian companies investing in foreign oil or gas plays is correct. That dates back to 1971. In 1971 a provision was put into the Income Tax Act whereby there is a write-off against Canadian tax. This is not unique to the oil and gas industry, but it is a provision of the Income Tax Act for Canadian companies investing and earning profit outside Canada.

• (1450)

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, that answer should be taken with a large dose of Siberian salt. It was the Liberal government that brought in the PIPs and encouraged companies to invest in Canada. It was this government that cancelled them and beefed up the foreign provisions.

Is the minister also aware that Petro-Canada, which just announced substantial cuts in this country and was trying to sell some of its shares in the Hibernia project, has now committed itself to a major oil development in Burma, and that the Department of National Revenue has informed it that it too can deduct 100 per cent of all of its costs in Burma whether the project succeeds or not?

Will the government explain to the people of Canada why in this time of recession it is encouraging the flow of Canadian money to places like Burma and Siberia? Canadians would like to send this government to Siberia.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, some of us came from Siberia so we could help this country. Some of our family members came out of Siberia as prisoners only two years ago. I do not think I need even jocular comments about Siberia or some of the contributions that were made.

I say to the hon. member that he can go back to the PIPS agreement. If he looks at PIPS, he will find that for every $1 that was invested by Canadians and others in Canada, the Canadian taxpayer paid $1.04 to $1.05 and actually lost money.

If he wants to see the success of the program, I remind him of Dome and the costs on Dome. I remind him also about tax provisions which have come to be known in jocular verbiage as the little Egypt bump. There were all kinds of examples where the Canadian taxpayer because of that kind of program lost great amounts of money. It did not help us either in reserves or in building a Canadian industry.

The fact of the matter is he can say what he will, but I go back to this simple point: this provision dates back to 1971 when I think it was his party that was in power.

* * *

TOBIQUE INDIAN RESERVE

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister of Indian and Northern Affairs.

There is a serious problem at the Tobique Indian Reserve, New Brunswick, where sewage treatment facilities are apparently inadequate and raw sewage has been flowing into the Saint John River system.

I understand that the Department of Indian and Northern Affairs has been aware of this problem for many months but no corrective action has yet occurred.

What steps are being taken to stop this unacceptable environmental damage and when can effective results be expected?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member has raised a very serious problem, one which concerns me deeply.

Apparently raw sewage is being allowed to overflow from the Tobique Indian Reserve into the Saint John River, threatening the health of hundreds of thousands of residents both on reserve and in downstream communities.

It is important that the House know that a capital financial agreement, a five-year financial plan signed in 1990, provided a $1.2 million allocation for the construction of a sewage treatment plant out of a total capital budget of almost $6 million. That money has not been allocated for the purpose for which it was intended. I have instructed my officials to meet with the chief and council immediately to ensure that the conditions of the funding arrangement are lived up to.

* * *

EAST TIMOR

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is for the Secretary of State for External Affairs.

Last night CBC's *Journal* aired a documentary exhibiting the historic and ongoing brutality of the Indonesian government against the East Timor people. The Indonesian government's own report of the November 12 killings is unsatisfactory and subsequent reports of retaliation against the witnesses must be investigated.

I have asked this question before. I repeat it: Will the government insist that the UN make an independent investigation of the East Timorese killings and the subsequent abuses against the East Timorese?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, as you know, I have told the House before that the day after this event I raised it with the foreign minister of Indonesia with whom I was meeting in Seoul, Korea and expressed Canada's condemnation even at that early stage before we had all the facts.

In the meantime, I know that Canadians have found the information that has come forth, not just because of the video last night but as the news has come out about the incident, as reprehensible as does this government.

We cut our aid to Indonesia as a result of that. Some other countries did do it but have since reinstated it. We have not made any change in our policy toward Indonesia at this stage.

I am encouraged that the Secretary-General of the UN will be sending a special envoy to Indonesia and we will look for some results from that meeting.

[*Translation*]

Mrs. Christine Stewart (Northumberland): My supplementary question is for the same minister, Mr. Speaker.

In 1975, Indonesia illegally invaded and took control of the independent country of East Timor. Since then, the Canadian government's reaction has been terribly quiet.

Will the government today join the European Community in asking the new Secretary-General of the United Nations to call a negotiating session between the parties directly concerned, such as Portugal, Indonesia and representatives of the government of East Timor?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, the government supports the United Nations in the steps which still have to be made with respect to the special envoy who was sent to Indonesia by the United Nations. The Secretary-General agrees to send someone. After that, perhaps we could go on to the other steps.

* * *

[*English*]

GOODS AND SERVICES TAX

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is directed to whomever is answering on behalf of the Minister of Finance.

All the government will know that when the GST was introduced the Prime Minister and the government promised that it would not be charged on the necessities of life. Now the Minister of Finance has imposed the goods and services tax on water on 26 communities across Saskatchewan, and he has done so retroactively.

I would like to ask the minister this: Will the government keep its promise and axe the tax on water?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I must admit that I am not sure what the hon. member is talking about. If he had given me notice before Question Period, I would have looked into it for him and got him an answer.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, the people of Saskatchewan and Yukon know about it and they are complaining about the imposition of this tax.

We on this side of course are opposed to the GST and would scrap it. But the government has at least always admitted that it would examine the concerns about the effectiveness and the administration of the tax.

I wonder if, in response to the minister's question, he might go on to commit himself to at least looking at the implications of this tax and perhaps consider scrapping it.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I believe the hon. member is a little confused. The short answer to his specific question is no.

The answer on the water is also no because we are not taxing water. What the hon. member is referring to is the delivery of water, and he should know that individual—

Some hon. members: Oh, oh.

Mr. Speaker: I know hon. members would want to allow the minister to give his response to the question. The hon. minister.

• (1500)

Mr. Jelinek: Mr. Speaker, if they would only listen, I am trying to explain as best I can. I would be very happy to offer them a briefing by officials to show them in detail specifically how this is being dealt with from an administrative standpoint, because those companies that deliver water can opt to operate under the same conditions as municipalities which are exempt or get a rebate on the GST.

[*Translation*]

Mr. Speaker: The hon. member for Lac-Saint-Jean. Just one question, please.

* * *

REFERENDUM ON THE FUTURE OF QUEBEC

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, my question is directed to the Minister Responsible for Constitutional Affairs.

Today's *Le Soleil* reported an incredible statement by Claude Beauchamp, president of the *Regroupement Économie et Constitution*, who objected to a referendum on the future of Quebec, and I quote: "The risk is far too great that voters would reject an agreement. A referendum is a complex instrument. A referendum entails a risk, and the risk is that it would be defeated".

This federal spokesman from Quebec seems to be afraid Quebecers will speak out. Mr. Speaker, I want to ask the minister to dissociate himself from these undemocratic remarks and to state once and for all that the future of Quebec will not be decided on by politicians behind closed doors, but by the people of Quebec.

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, perhaps the hon. member could arrange to get in touch directly with Mr. Beauchamp. I am here to answer questions about the Canadian government's policies. Or else, if he does not want to speak to Mr. Beauchamp directly, perhaps he could write a book and ask Mr. Beauchamp to read it.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the government House leader.

Would he indicate to the House the business we will be having for tomorrow, Monday, Tuesday, and the remaining parts of next week? Would he also indicate whether or not there would be some degree of co-operation on his part, as exhibited by his parliamentary secretary earlier this day, in perhaps having a special debate with regard to the whole supply management system in Canada which is presently under negotiation under the provisions of GATT?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, in response to the business question, today I would hope we would complete third reading of Bill C-32 respecting the Canada Assistance Plan and, if completed, we would call for third reading Bill C-35, the Miscellaneous Statutes Act.

Friday we would expect to complete third reading on Bill C–35 and upon its completion the government would call Bill S–2, the Tax Convention Act, for second reading.

On Monday it would be my intention to call for second reading Bill C–26, Public Service 2000, and on Tuesday to continue second reading hopefully to completion of Bill C–26.

Next Wednesday I would intend to call an allotted day or an opposition day.

In terms of the general question, as I have said to the hon. member on many occasions, I feel that we could probably use our time in a more fitting way on many occasions around here to discuss subjects of interest and of some import if we could find some way to accommodate it within the constraints of time in terms of getting the legislation through, in terms of recognizing that we have opposition days on which the opposition can choose the subject matter and in fact from time to time schedule debates in the evening for special subjects as we have done, for example, with regard to the constitutional question tonight, next Monday, Tuesday and Thursday.

I would hope that we could get together and discuss to see whether it really is necessary to have three full days, for example, on Bill C–32 at third reading, which is a long way through the process. Perhaps we could cut that down to two days and have the third day allocated to subject matter of interest, or we could do that on similar bills.

I am always available for that kind of accommodation, but it is very difficult for me to agree to a process that says the government will continue in essence, figuratively, to get down on its knees and say: "Please allow us to pass this legislation", then in addition open up extra time for special debates of the opposition's choosing. There is just not enough time on the calendar. I would love to co–operate. I think we can co–operate. If we agree, there has to be a little give and take on both sides.

Mr. Dingwall: Mr. Speaker, I want to indicate to the House that there has been a good deal of co–operation among all parties with regard to the debate which will be taking place this evening on constitutional renewal to give members an opportunity to put their concerns before the House and thereafter table documents with the committee. I want to thank the government House leader, who has been very co–operative in that process.

I also want to say to the hon. member that my question was not intended to interfere or delay the activities of the government which has the sole right in setting the agenda in terms of legislation for this House. We are not suggesting that. In view of the comments, and he might want to take some time to discuss with his Parliamentary Secretary, under the provisions of either Standing Order 52 or some other arrangements, debates could take place later in the evening on subjects that a good majority of members of Parliament find to be important, ones which affect their constituents and are important for the country.

This is not to mean this in a partisan way. I just point out to the government House leader that, as he knows, we are in a difficult economic situation and there are issues that all Canadians would like to see us debating on the floor of this House of Commons. On the other hand, we would avail ourselves as opposition parties to select some of those subjects which can be debated under provisions of allotted days, opposition days. I suggest quite sincerely to the government House leader that there is a menu of economic issues out there which will require the special attention and co–operation of the government in order to debate it in what I believe is a very sincere way to try to find some solutions in order to put Canadians back to work.

That is the spirit in which I ask the question. Perhaps later this day or perhaps next week we might be able to pursue those discussions with the government House leader and his parliamentary secretary to arrive at some sort of accommodation for the government in its dealings here.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I would like to make a short comment regarding the points raised by my hon. friend, the opposition House leader, and ask the minister a question.

First of all, I want to say to the minister that it is appropriate that we take some days to debate important legislation. I think that Bill C–32 is one of those pieces. As a result we could move expeditiously on other pieces of legislation like C–35 and S–2. I think we can come to an accommodation without any difficulty.

I simply want to indicate again my enthusiasm and my willingness to move expeditiously through the usual channels to see if we can facilitate arriving at ways and means of allowing additional debates on important and topical issues.

I have two questions. One concerns the budget. February is the normal time when we look forward to a budget. I wonder if the minister can give us some indication of what would be an appropriate time, or his best guess at this time, for a budget to be presented in the House. Since we are indicating the business coming up, I believe the government House leader indicated that next Wednesday would be an allotted day. Perhaps to provide for ease of preparations and planning, since it is an opposition day and will be a New Democrat sponsored motion, we will be indicating that we will be putting forward a motion on the protection of marketing boards and the opposition to tariffication to debate and we are likely to vote next Wednesday.

• (1510)

Mr. Andre: In terms of the budget, as the hon. member knows, in 1984 when this government was elected we did establish the practice of bringing down the budget at the same time as the spending estimates.

To us it makes sense that they come down together and not be separated by many months, as used to be the case. The taxes and the spending ought to be related. It is our hope to keep that pattern. The specific date I cannot give the hon. member at this point.

I welcome the news that the hon. member has indicated that his party would like to discuss this important subject of GATT and marketing boards next Wednesday. By putting it to a vote, I have to remind the House that as an allotted day, the motion is a motion of confidence. That forces the government to vote in opposition to the motion, whatever it might say, because allotted days were designed as a substitute for challenging the estimates.

Every motion and every vote is a confidence vote, so in advance I have to say that we will probably support the tenor of the motion because we are very much supportive of marketing boards. Very clearly, our position at GATT is completely consistent with the position that the producers have suggested we take. There is no space between us and the producers on this matter.

If a motion is put forward to that effect on an allotted day, we may have to vote against because it is a confidence motion. That is one of the other nuances of our rules that perhaps we should be looking at, but that is the effect of calling for a vote.

Mr. Riis: Mr. Speaker, my hon. friend has identified a problem that we are confronted with from time to time.

As he knows and I think much to our pleasure, the House is master of its own destiny. With unanimous consent we can agree to virtually anything we want in terms of proceeding with business.

It would be my intent at the appropriate time next week, after consultations with members, to put the question that we seek unanimous consent so that we will not consider the vote next Wednesday to be a vote of confidence.

I think that would be a way, if I can help the hon. minister, to get around this dilemma.

Mr. Andre: Without carrying on this debate on the floor of the House of Commons, that does not help the government as the hon. member knows.

Mr. Rod Murphy (Churchill): My question is also to the government House leader.

As the minister is well aware, I wrote to him and raised in the House the issue of the royal commission on election expenses and election financing. Presumably it will be reporting to the government very soon and presumably to the public at an early date.

I wonder if the government has made any arrangements for the House of Commons to deal with and study the proposed legislation that will be part of that royal commission's report.

Mr. Andre: I have not yet. I have had some preliminary discussions with House leaders opposite and will be making a firm proposal in that regard shortly, perhaps even tomorrow.

The report of the royal commission will be distributed one day next week. The only reason for not knowing that day is in the interests of all Canadians having access to it at the same time. It needs to be transported around the country.

As soon as I have established when that can be done, I will announce to the House the release of the report and how it is going to be treated.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I just wanted to take this opportunity to put a question to the government House leader on House business.

With respect to the commitment that the government made some six years ago to amendments to the Canadian Human Rights Act a commitment which has been reiterated in a couple of Speeches from the Throne, I would like to ask the government House leader if he can indicate to the House when the government intends to bring forward these long overdue amendments to the Canadian Human Rights Act.

These are amendments which affect the physically and mentally disabled in the area of reasonable accommodation. They are amendments which affect the lesbian and gay community in the area of sexual orientation. When will the government finally move forward on these long overdue amendments to the Canadian Human Rights Act?

Mr. Andre: This question period usually deals with the business for next week and it will not be next week.

* * *

POINT OF ORDER

STATEMENT PURSUANT TO S. O. 31

Hon. William C. Winegard (Minister for Science): Mr. Speaker, I rise on a point of order to comment upon statements and remarks made earlier in this House by the member for Calgary Southwest.

Last evening, the Canadian Genetic Disease Network announced that Dr. Robert Korneluk of the Children's Hospital of Eastern Ontario, one of the network's 23 principal investigators, has isolated the genetic defect responsible for myotonic dystrophy.

This is one of a series of genetic discoveries in Canada. The last three have been made by members of this specific network, created in 1989, the network of Centres of Excellence.

In this case, the network provided $450,000 to that research.

Mr. Speaker: I think all members would have no disagreement with what the hon. minister is saying and what the member for Calgary Southwest said earlier today and also what the member for Sault Ste. Marie said about the discovery and the scientist who made the discovery. My difficulty is procedural.

The hon. minister is getting very close to a minister's statement. If the House wishes to allow the minister to proceed, I would let him.

Mr Riis: Although it obviously is not a point of order, it is an important issue to which I think all sides would wish to make a comment. May I suggest as a way out that for tomorrow under Routine Proceedings, at the time of ministerial statements, the minister take some time and make a proper statement and that would allow others to make a response as well.

Mr. Berger: Mr. Speaker, I agree with the proposal that has just been made. Certainly our party would want to join in any such statement. We were not given any prior notice that this would be coming up at this particular time.

Mr. Pagtakhan: Mr. Speaker, I would like to add my strong voice for that approach. This is a non-partisan issue and I think all sides of the House must participate in the tribute and appreciation.

Mr. Winegard: I would be happy to do that except tomorrow at this time I will be speaking to members of the research community about this particular incident.

Mr. Speaker: As I indicated to the hon. minister, and he has certainly seen the response, there is a disposition in the House to extend congratulations from all members, obviously. If the minister cannot be here, he may want to make some other arrangement with another minister, but it really is a very appropriate circumstance for a minister's statement.

GOVERNMENT ORDERS

[*English*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-32, an act to amend the Canada Assistance Plan, be read the third time and passed.

Mr. Svend J. Robinson (Burnaby—Kingsway): At one o'clock when the House adjourned, I was pointing out that for me, particularly as a member of Parliament from British Columbia, it is a pleasure to be able to participate in this very important debate on the government's proposed cutbacks on basic and fundamental financial support to the people of British Columbia.

Late last year, the Vancouver city caucus of elected representatives met in the city of Vancouver. The Vancouver city caucus is a group of elected representatives, chaired by the mayor of Vancouver, Gordon Campbell, and is made up of members of city council, the school board, provincial elected representatives and all five of the federal members of Parliament from the city of Vancouver.

At that city caucus meeting, we heard from speaker after speaker that one of the most critical issues facing the city of Vancouver and the people of British Columbia was the cutback by this Conservative government on the commitments it had made under the Canada Assistance Plan.

We know that the British Columbia Court of Appeal ruled that this particular attempt to betray a commitment that had been made to the people of British Columbia was illegal. Unfortunately, that decision was reversed by the Supreme Court of Canada.

• (1520)

One of the major reasons that we in the New Democratic Party so strongly support a social charter, a charter that sets out the fundamental values that shape this country in economic, social and cultural terms, is that hopefully such a charter and the existence of such a charter would prevent this kind of betrayal from taking place.

We are seeing the people of British Columbia, Alberta and Ontario particularly the victims of Bill C-32, being punished for the bankrupt economic policies of the Conservative government.

We have seen a series of these policies, whether it be the trade deal or other. I remember very well during the election of 1988 when the Conservative Prime Minister travelled across the land saying: "There are going to be hundreds of thousands of new jobs created by the trade deal". Members of this House will remember that.

Instead of creating new jobs in this country the trade deal resulted in the destruction of hundreds of thousands of jobs right across this land. As well, we have seen the erosion in social services and the attacks under way on marketing boards in this country. As a result of the trade deal there is now the suggestion that Canada should go even further, that we should enter into a trade deal with the United States and Mexico.

That would be the end of any kind of manufacturing sector in this country. The cheap labour in the Maquiladora zone in Mexico obviously would be a magnet which would result in the effective shutting down of Canadian industry.

What we see in Bill C-32 is part of a trend by this Conservative government to off-load its responsibilities as a national government on to provincial governments. We have seen the impact of that in the province of Ontario in which the New Democratic government of Ontario has very courageously said that it will not be the poorest and the most vulnerable to pay the price of this government's economic policies.

We are seeing it in British Columbia where since 1982 some $1.1 billion has been off-loaded as a result of the policies, both of the Conservative government and of the previous Liberal federal government. This amounts to some 67 per cent of the estimated 1991-92 budget deficit of $1.7 billion. It is the victims of this government's economic policies who are being asked to pay the price.

We know that as unemployment insurance benefits run out, people turn in despair to welfare. That is the only thing they have left. I have met with many of the employees of Versatile Pacific Shipyards in my constituency, men who have worked there for 25, 30 or 35 years and are proud of the work they do. Yet, as a result of this government's economic policies, Versatile Pacific has thrown these people out of work. Their unemployment insurance has expired and now they are on the welfare rolls. This government's policies mean that there are going to be less and less funds available to help those who are most desperate and who are most in need. Who are they? They are children. The people most affected by these policies, by this cap on the CAP, are children. We know that children are the greatest recipients of social assistance.

We know that this government's policies will mean that the Prime Minister's promises at the United Nations children's summit are very hollow when the policies that attack children result in even more poverty and result in more line-ups at food banks.

We know that shelters for battered women are funded under the Canada Assistance Plan, and funds for these shelters are being cut back. We know that the already desperate circumstances of people living with AIDS, people with HIV, are being made worse as a result of the cutbacks in the Canada Assistance Plan. Some members of this House will remember the government promising with great fanfare a national child care program. Where is it? It is nowhere to be found. Another casualty of this government's appalling economic policies.

What are the alternatives? The government is clearly saying that it does not have enough money. The fact of the matter is that if this government would bring in a fair tax system, it would have the revenues necessary to ensure that the scourge of children living in poverty is put to an end. The poverty of women, particularly single parents, could be put to an end.

The member for Mississauga asks what kind of taxes we are talking about. I will tell the member for Mississauga. In 1986 there were 89,000 corporations which paid not one penny in income tax despite the fact that they recorded collective profits of $22 billion.

I will tell the hon. member that the Canadian banks have had one of the most successful records in history in this country. Are they paying their fair share in taxes? No way.

Instead of attacking children and instead of attacking the poorest and the most vulnerable in Canada, why does this government not get tough with the banks, with the wealthy, with the corporate elite who for too long have not paid their fair share? In fact from 1986 to 1989 corporate taxes went down 20 per cent under Conservative government policies and their profits in that same period of time went up by 34 per cent. Where is the fairness in that?

This is the same government that brings in policies cutting back on the Canada Assistance Plan which is a plan that was brought into existence to ensure that the poor, the most vulnerable, those living on social assistance were entitled to live with some decency, some dignity and some sense of economic security. This government's policies are attacking that.

We know as well that this government's policies have resulted in an erosion of the quality of health care and post-secondary education in British Columbia. The cutbacks under the EPF, the Established Programs Financing Act, under Bill C-69 and other programs have meant that the share of the federal government in post-secondary education and health care has declined dramatically. In fact the cash component under this Conservative government is going to disappear entirely within the next decade.

I see it in my own constituency. I see the effect of these cuts at the B.C. Institute of Technology, at Simon Fraser University, on students attending Douglas College and others. There are programs which are victims of this government's attacks under the EPF and the Canada Assistance Plan.

Surely it is time that Parliament said to this government that enough is enough. The gap between the rich and the poor in this country is increasing. The number of people on social assistance in British Columbia and elsewhere is going up instead of down and this government is cutting back on its fundamental obligations under the Canada Assistance Plan to ensure that those programs are properly funded.

In conclusion, I want to say again that we as New Democrats reject this bill and the approach of this government which is victimizing those who are poorest and most vulnerable. We know it is happening at the international level as well. I see it happening in the city of Vancouver and in the province of British Columbia. It is time for a new government which puts people first instead of banks and the corporate elite.

Madam Deputy Speaker: I know the Speaker wants to pursue something which arose this morning and he will be in the House momentarily. I will recognize the hon. member for Mississauga South but I will tell him that he may be interrupted momentarily.

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I do not intend to speak long or completely, but I want to point out that the obligation of government is to use the resources that we collect from the people of Canada to pay the bills of Canada.

This bill rations that money.

MOTION TO ADJOURN UNDER S. O. 52

AGRICULTURE—SPEAKER'S RULING

Mr. Speaker: The hon. member would do a courtesy to the Chair to let me interrupt him. It does not happen often but I have to deal with another matter.

There was an application made earlier today for an emergency debate by the hon. member for Algoma. As members know, the consequence of discussions earlier this afternoon related to the usual Thursday afternoon question and an allotted day has been set for next week. The hon. member for Kamloops has indicated that the subject of the application for the emergency debate will be the subject of the allotted day debate. This was brought on immediately today by the hon. member for Algoma and had been brought on earlier in the week by others, including the hon. member for Mackenzie. As a consequence, I would of course be bound by the stricture on the Speaker that in cases where there is an application for an emergency debate and there is another available opportunity for hearing it, it would not be appropriate to go ahead with the order.

• (1530)

Clearly the debate on Wednesday on the subject matter of the application puts that stricture on the Speaker and I do not need to deal further with the application for the emergency debate.

Throughout this entire matter I thank all hon. members and I thank the hon. government House leader this afternoon for his disposition of the matter.

GOVERNMENT ORDERS

[*English*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-21, an act to amend the Canada Assistance Plan, be read the third time and passed.

Mr. Don Blenkarn (Mississauga South): Madam Speaker, when I was speaking earlier, I suggested that the job of government is to take the scarce resources that government can raise in taxation and try to manage those scarce resources as best as possible.

This bill increases the transfer of money to the Canada Assistance Plan by 5 per cent over and above what it would normally be. Bear in mind that inflation is now likely to be 1 per cent or 2 per cent this year. Possibly it could be as high as 3 per cent, but in most cases it is likely to be more like 2 per cent or less. This is a very substantial and real increase in the transfer of money from a government coffer that is exceedingly poor.

Anyone who reads the material coming available will know that tax revenues in the country are off about $8 billion, yet this government is still able to make a very substantial increase in transfers to provincial governments to solve problems.

The Canada Assistance Plan is a vital and important program for Canada to try to look after those people who for want of a job, for want of opportunity, for want of education, for want of many things have difficulty in looking after all of their responsibilities themselves. That there are a lot of people in our country who need help is taken for granted.

What we have to do as government is ration our scarce reserves and this bill attempts to do that in a realistic fashion. I am indeed surprised that the opposition would filibuster this bill as it has now for three days to try to hammer home some point to throw all caution to the wind and just pay and pay and pay without paying attention to the fact that this bill makes a substantial increase over and above inflation. This is a real increase in the amount of scarce money that can be applied.

The previous speaker spoke of Versatile Pacific and how that company went broke. A lot of companies have gone broke. They have had to restructure and they cannot make it together. Corporate profits in this year are as low as they have been historically since the very worst time in the Great Depression. It is less than 5 per cent on average. The effect is that proposals to beat up business by the New Democratic Party are only proposals designed to force on more unemployment.

Mr. Milliken: That is what they are doing in Ontario.

Mr. Blenkarn: Indeed that is what they are doing in Ontario. Their whole game in Ontario was spend the system broke. We did not have $341 billion of outstanding market debt. If we were not using 35 per cent or 36 per cent of the tax revenues we receive just to pay interest, perhaps we would have more money to make

those transfers that are obviously needed. What we need to have is some sensibility from this House of Commons.

I think it is the responsibility of members to stand and speak not of the problems but of the solutions. The suggestion of a solution to beat up on corporate taxes by grabbing and taking and making sure that companies cannot exist and go broke is really not much of a solution. It only adds to the problem.

Adding to the debt only adds to the problem because the debt must be carried. It is about time we had some solutions other than the cry of demand and the complaint of cutback. There is no cutback here. There is a substantial increase of transfer over and above inflation at a time when government revenues are suffering and suffering greater than they have for a long period of time.

It is time we had some responsible comment from the New Democratic Party members and not crazy rhetoric. They ought to know better and if they do not know better then the people of Canada ought to listen closely to them and see what a wreck they are making of Ontario and maybe they will make the same wreck of their province of British Columbia. Who knows? I can say to you, Madam Speaker, that you cannot spend yourself rich.

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, this is the third time I am speaking on this bill. This is something I do not usually do. I feel if you have spoken once on the subject, you have had your say. The damages that this bill will do to our country are so great, however, I feel that I must speak even a third time. Somehow this government is not listening.

I would not mind if the government did not listen to the Official Opposition of this House. I would not mind if this government would not listen to the New Democratic Party. But I do mind, and I am angry as hell, when this government has stopped listening to Canadians. It has stopped listening to Canadians coast to coast to coast.

The government members experienced this during the winter break just as we did. I am sure they took the opportunity as I did to go and visit the businesses in their area and talk to the people in their area. They would get the true picture of what this country has come down to after seven years of Tory government. I used to hear: "Tory times are tough times". I certainly believe it now.

I canvassed the businesses along some of the main streets in Toronto: King Street, Queen Street, Dufferin and Dundas. It is a little scary to see five or six stores closed. The windows are boarded up. Some are for lease and some for sale because of the damage of the recession. It is scary.

I looked up a small business that employed 50 people. It was a firm which imported fabric from Pakistan and Poland to make napkins and tablecloths. During the 1988 election that company warned me: "Mr. Flis, if the government brings in the free trade agreement, I will not survive". Out of interest I went to this firm to see how it was doing and to compliment the firm. I went there. The doors were closed. The firm did not survive the free trade agreement.

The businesses which are hanging in tell me they have lost 30 to 50 per cent of their revenues over last year.

• (1540)

I ask what the cause is. What is happening? Why are you losing business, why are you going under? Some who are still in business say they are just hanging in, but if this recession lasts much longer, they are going under as well.

I think the minister led Canadian businesses astray when almost a year ago he said that the recession was over. People built up their hopes. "Oh, well, if the recession is almost over I think I can hang in there. I will invest a little more, et cetera". A year later the recession is not over. The government fooled the people.

Getting back to the causes, one cause was the mismanagement of this government; the second cause was the free trade agreement; the third cause was the GST; and then just an over–all frustration. Many businesses would tell me to tell the government to stop taxing them to death. They felt it was the over–taxation that was killing their businesses.

I said to them that we have a great country here, we have built in certain social safety nets, we have an excellent medicare system, an excellent education system. Someone has to pay for that. The government has to get revenue to pay for these things. What is your solution? Again, their solution was to stop taxing them to death. They want the government to put money into people's pockets, quickly, now, not a year from now. They also said build up confidence. The people who have the money are afraid to spend it. They are afraid to spend it because they do not know whether they will have a job next week or next month. The people who

have the money are not spending it because of the lack of confidence created by this government in this country. The ones who do not have the money cannot spend something they do not have.

It was very rewarding for me to talk to people from all walks of life, going into the garages and seeing how hard the mechanic was working over his motor, going into the back of the restaurants to see how hard the people were working just to make ends meet. Some people would apologize because their hands were soiled and they did not want to shake hands with their MP. I said they never had to apologize for dirty hands. It is those kinds of hands that built this country to what it is today.

I offer the government what I heard on the streets during the winter break, and I am sure it is what the Conservative members heard also. As I said earlier, they have stopped listening.

From there my assistant and I then dropped in to one of our larger Canada employment offices right on Bloor Street. Another frightening picture was to see the Canada employment office packed with people just before Christmas. They were lining up for various things, unemployment insurance, lining up because someone lost a social insurance number and was making application, lining up because of Canada Employment and Immigration disputes or conflicts.

Again, it was revealing to talk to these people while they were standing in line. They had a certain amount of satisfaction and security because they were lining up to apply for their unemployment insurance. Many of them spoke to me with almost fear on their faces because they were afraid of what would happen to them when their UI revenues would run out: "Mr. Flis, what am I going to do when I exhaust my UI? I want to work. I have tried 200 firms. No one will take me." That is when the fear starts coming in. What will happen when that safety network of UI and then social assistance runs out? This is where panic sets in, this is where psychological depression sets in.

My constituency office, like many members' offices, has become an employment agency. People who have been working 10 years, people who have had businesses and are now unemployed are coming to their member of Parliament and asking: "Mr. Flis, can you help me get something? I will take any work, but I will not go on welfare".

Many Canadians are so proud that they will not go on welfare. They want to help themselves. They want to work. Again, this government is not allowing this.

Following this kind of talking and listening to the people in Parkdale—High Park, I brought all of their concerns to the three-day caucus meeting the national Liberal caucus had in Ottawa prior to the opening of the House of Commons on February 3.

Each member shared what he or she heard from people in their ridings. Based on what we heard, the Liberal Party came up with a five-point economic recovery plan. I will not waste the time of the House to repeat it because it has been repeated over, over and over here.

We are pleased that the government already implemented one of our recommendations, the 5 per cent down payment, et cetera. We are just waiting and hoping that it will implement the other four, especially the infrastructure one. If it does not, the doom and gloom will lead to violence and civil disobedience.

I just want to share with this House that the people in Parkdale—High Park have called in the Guardian Angels, some from the United States, to come and help them supervise the streets. They feel that the streets are not safe any more.

I disagree with them. I object. I go on public record. I object to any Guardian Angels coming in and telling us how to supervise our streets. In metropolitan Toronto we have the best police force in Canada. People feel secure with its supervision, its policing. We do not need any Guardian Angels from any U.S. city.

We have nothing to learn from United States cities. Our cities are still relatively safe and pleasant places to live. I hope the government will listen to our five-point economic recovery plan.

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, I want to just put a few words on the record as they relate to this bill.

The general thrust of the Government of Canada is to cut existing programs, programs that affect our education, our health and our social security. I would like to put on the record that the Government of Canada has a double standard here.

Over the past year, the Government of Canada has given up more income than I have seen since I became a member of Parliament several years ago.

Let me put on the record two incredible changes that took place in the Income Tax Act. In the past year, the law was changed in relation to deferred taxes that were supposed to be paid to the Government of Canada.

An hon. member: What are deferred taxes?

Mr. Baker: The hon. member wants to know what a deferred tax is.

• (1550)

I am going to explain to the hon. member exactly what happened and he will remember exactly what I am talking about.

Back in 1972 the Liberal government changed the law in relation to moneys that were collected through what was then called the estate tax, which imposed a sliding tax on wealthy, rich inheritances. That was replaced by a capital gains tax.

Mr. Blenkarn: You stopped the loophole.

Mr. Baker: If the hon. member listens he might learn something. The capital gains tax was brought in to replace the estate tax. It was 50 per cent of the rate charged on normal income. There was a provision in the law at that time to protect the Government of Canada against the moneys that would have normally been paid on capital gains but not moneys that were held in private trusts. The rule was called the 21-year rule. Now the hon. member knows what I am talking about. Now he knows what I am going to say.

The 21-year rule was that although a trust never dies, although a trust goes on indefinitely, regarding the capital gains that were held in those trusts, the taxes that would have normally been paid, that were paid by every small businessman in this country, that were paid by every construction man in this country, by everybody who built houses, who contributed something to the economy, they all had to pay up on their capital gains tax. They all paid up because the law is the way it is in Canada and nobody is disputing it. There was a provision that there would be a 21-year period and then those capital gains that had piled up, those taxes that would have normally been paid, were in a private trust and they could not be collected, but at the end of 21 years they would come due to the Government of Canada.

We can imagine how much money is in private trusts in Canada.

An hon. member: Very little.

Mr. Baker: The hon. member says very little in private trusts. He should read the Department of Finance's breakdown for 1986. The end of the 21 years is the end of this year and all of those taxes that were normally paid on capital gains would have accumulated and would be payable on the 21st year. Do you know what the Government of Canada did in this Chamber? The hon. member does not like hearing it.

Mr. Blenkarn: It stopped the alternation of the trust.

Mr. Baker: It altered the rule. It threw out the 21-year rule. It threw it out. What did it replace it with? It said: "Those taxes can be further delayed and they become payable with the death of the youngest member of that family". By any estimate, the hon. member would ask how many years that would put off the taxes—30 years, 40 years, 60 years; massive sums of money due the Government of Canada from people who have so much money that they just do not have to move it, they can tuck it away in private trusts.

The Government of Canada changed the law and said: "You do not have to pay that now". Out goes the 21-year rule because it is up at the end of this year 1972 and 21 makes 1993.

My time is short but I will make reference to one other thing that really bothers me. It concerns the change to section 67.5 of the Income Tax Act that deals with what qualifies for a deduction in entertainment. Do you know what the Government of Canada did? Did anybody ever look at why we have such a substantial increase in the amounts of money claimed under entertainment deductions on income tax returns?

Normally it goes this way. If you entertain a person for business purposes and you are trying to sell a product or

you are trying to sell your business, certain costs are legitimate. For example, people can write off the cost of their expensive meals. They can write off the cost of their big booze parties if they wish. They could have written off the cost of their yachts up to 1987. They can write off many things that in the normal running of a business is recognized by the business community as being a legitimate expense.

Consider what the Government of Canada did last month in December. There were tax lawyers and accountants asking National Revenue: "Does this qualify? Does that qualify? How far can I go here? Can I buy a helicopter?" What did the government do in answer to all the accountants and tax lawyers in Canada who had a legitimate concern? The tax lawyers and the accountants needed to know. They needed to have some direction. The general rule was if it was not listed as an exemption in the Income Tax Act then you could claim it. They kept saying: "How far can we go?" The Government of Canada determined it in December of this year. It brought in a change to the act and said that you can go as far as the Criminal Code of Canada.

An hon. member: Shame.

Mr. Baker: It said it was closing a loophole. So you ask a question.

An hon. member: In practice.

Mr. Baker: In practice does an escort service count as a legitimate deduction? What is the reason for this substantial increase in the entertainment deductions?

The Government of Canada says that you can go as far as the Criminal Code of Canada in taking money from the public purse. It has our poor taxpayers pay the bill and says to them: "You pay the GST so that we can pass along this money to certain people who spend money on booze and escort services".

The Government of Canada should be thoroughly ashamed of itself and explain to the Canadian people why it did it.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, it is always difficult to follow the hon. member for Gander—Grand Falls. His eloquence never fails to amaze me. It must be something in the maritime blood indeed.

I would like to add a few of my comments with regard to Bill C–32. I do honestly believe that this is a bad piece of legislation. This is an immoral piece of legislation. This is legislation that should never be.

Bill C–32 allows for the extension of the five per cent limit on the funds available through the Canada Assistance Plan for the provinces of Alberta, Ontario and British Columbia, which is my home province. Everyone will remember of course that some time ago Bill C–69 capped at 5 per cent the increases for federal funding assistance until 1992. The bill we have before us, Bill C–32, extends that cap up to the year 1995.

• (1600)

The Canada Assistance Plan is really the only mechanism or means through which the federal government funds social assistance and social services to the provinces. By extending the cap or the limit on the increases to the three provinces I have named, B.C., Alberta and Ontario, this government has been making the economic downturn significantly worse in those provinces. This is particularly so for the unemployed and those Canadians who are off unemployment insurance and require the assistance that is available through the Canada Assistance Plan.

This is the wrong way to go. We are hurting our lowest income people, those who can least afford it and are least able to defend themselves. It is simply unjust in a society such as ours that we take this kind of direction that is evidenced in this government's fiscal policies particularly with respect to this bill before us.

I want to say that every single witness who came before the finance committee on this legislation urged the government to withdraw this bill because of its harmful impact.

In British Columbia, despite the fact that we have just had a recent election of a new government, social assistance recipients cannot afford to eat a decent meal. I know it is doing all it can to reverse this trend. Welfare payments to a family of four in British Columbia fell short some $18.30 a month for food alone. That means no money for toiletries, for transportation, for clothing

or for recreation,. There is not even the basic allowance to put food on the table. This bill has made things that much worse for those people.

Families and children rely on the Canada Assistance Plan which this bill wants to handicap. To those people the Canada Assistance Plan is a virtual lifeline. It is largely through no fault of their own, but as some people are simply being victimized by the economic consequences in this country, their means of livelihood has become welfare.

What this government has done is it has introduced measures in the name of fiscal restraint that says the rich provinces of British Columbia, Alberta and Ontario can afford to pay the extra money that should be going to the Canada Assistance Plan. They can afford to make up the shortfall. The federal government will withdraw the extra funding. Freeze it. Put a cap on it and the provinces can make up the shortfall.

This bill is symbolic of the philosophical direction that this government has taken. It is wanting to devolve these kinds of services such as the Established Programs Financing for post-secondary education and health care and the Canada Assistance Plan. Those are the kinds of important funding mechanisms that allow the provinces to provide the quality social programs that they have been providing. The government is withdrawing from its funding support of those mechanisms. That is simply wrong. Canadians do not agree with that kind of direction that the government is taking.

I want to say that as a result of this cap on the Canada Assistance Plan, Ontario alone this year fell $900 million short. It was $900 million short.

An hon. member: Is that not next year?

Mr. MacWilliam: My colleague says that it is next year. I believe that the figures are estimated over the fiscal year. We may be talking fiscal and calendar years.

Nine hundred million dollars is an incredible amount of money when you think about it. One of the reasons that the government in Ontario has had such a tough time in dealing with its rising deficit is because this federal government has pulled the plug on poor people and unemployed people in the province of Ontario. It has pulled the plug and the Ontario government has had to try to make up that shortfall.

I want to turn to a report that comes from the Government of British Columbia on the cost of the federal off-loading to British Columbia as a result of the cap on the Canada Assistance Plan.

These off-loading measures have really gone back over quite a few years as a result of the combined policies of the previous Liberal administration and now this administration. The combined effect will be some $1.1 billion in extra provincial payments that the province of British Columbia has to make good on by 1991-92.

This is an equivalent of some 67 per cent of the budget deficit that British Columbia is experiencing in the current fiscal year. This is 67 per cent of the deficit of $1.7 billion. It is just as a result of the fact that this government is not maintaining and honouring its legislative commitment to the people of British Columbia.

I want to add also that if these current off-loading measures that are going on through this kind of legislation continue in the first year of the next century by the year 2000, the fiscal impact on the province of British Columbia will be some $32.7 billion.

The B.C. report also notes that the Canada Assistance Plan is there to assist not governments but people. By withdrawing its fiscal support, this government is neglecting the people of British Columbia not the Government of British Columbia. It is trying to do the best it can to make up for the shortfall that has been caused by this government's insensitivity.

In 1991-92, $166 million will be lost to British Columbia due to the 5 per cent growth ceiling of the past legislation. As a result of this legislation which extends that freeze, it is going to make a shortfall in the Canada Assistance Plan alone by some $1 billion in 1994-95.

I know my time is limited, but I want to say on behalf of the citizens in my province of British Columbia and the citizens of my constituency of Okanagan—Shuswap that the government through this legislation is abandoning the less fortunate individuals not only in British Columbia but also throughout Canada.

The legislation is wrong. It is immoral and it should be withdrawn.

[*Translation*]

Madam Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Bonavista—Trinity—Conception—Fisheries; the hon. member for Nanaimo—Cowichan—Fisheries; the hon. member for Nepean—Indonesia; the hon. member for Cape Breton—Highlands—Canso—Rail Passenger Service; and the hon. member for Glengarry—Prescott—Russell—Canada Post.

[*English*]

Mr. Sid Parker (Kootenay East): Madam Speaker, I also wish to participate in Bill C-32, an act to amend the Canada Assistance Plan, third reading.

• (1610)

I would like to outline some of the concerns that I see within my own riding. This is the second time I have risen and spoken on this situation that the government is creating. I want to also make a few comments with regard to what the member for Mississauga South had to say because he does chair the finance committee and I know the background he has. It appears that he seems very biased in his comments toward the corporations and has very little concern for the well-being of the unfortunates and the people who need the help the most.

During the 1988 election campaign, the free trade agreement was the big thing that the government was talking about. There is no doubt in my mind, and all of the people I have talked to throughout not only my riding but across the country, that the actions this government is taking with regard to Bill C-32 and the capping of our social programs is an attack on the universality of our social programs.

The Prime Minister during the last election stated that our social programs were a sacred trust that would be protected by his government and the free trade agreement would not affect them. The actions this government is taking have everything to do with the free trade agreement. The cutbacks we have seen in the unemployment insurance and the changes to the unemployment insurance, the changes with regard to the various equalization payments, post-secondary education and those kinds of things are seen as subsidies. This government is starting to set the wheels in motion to affect those very programs. To be capping the Canada Assistance Plan during these economic times—at Christmas I went out and visited the food banks throughout my riding and saw the line-ups—you should be ashamed of yourselves. Every one of your members should be standing up here and saying: "My goodness, we have serious economic times and this is not a time to attack the people who need the help the most".

I want to refer to some things that are going to be happening. I want to alert the people before the government brings in the budget. I saw an article on February 5: "The Canadian Manufacturers' Association makes a push for $2 billion in tax breaks". It is lobbying the federal government. It goes on: "Up to $2 billion a year in tax breaks to business should be contained in the upcoming federal budget, the Canadian Manufacturers' Association said yesterday".

The Canadian Manufacturers' Association's pre-budget submission also called on the Minister of Finance to chop social spending because of Ottawa's hefty debt.

My goodness, we have seen the amount of unemployed. We have seen the food banks and the problems they are having trying to serve these people. Here we have the Manufacturers' Association coming to the federal government and requesting $2 billion extra, but cut social programs. It will be interesting to the Canadian people to see what this government does with that request because we do know it is closely associated with this government and this government lends a very close ear to its proposals.

At the same time, in the same paper I read: "Too poor, lowest income disabled missed the tax breaks". While these kinds of tax breaks are being made available to large corporations which the member for Mississauga South seems to defend and help as a way of dealing with it, more than one-quarter of severely disabled Canadians earn so little that they get nothing from the federal disability tax credit. The finance department admits in a report contained under the Access to Information: "We estimate that 26.5 per cent of the severely disabled population are unable to claim any amount of tax credits because they have no federal tax payable".

Is it any wonder that the Canadian people are starting to question the actions of this government?

We see the unemployed lining up and trying to obtain their unemployment insurance benefits and finding out under the new legislation that they have been cut back on their eligibility. We see the social assistance programs being cut back, the funding to the post-secondary education programs being cut back with no way to try to support those kinds of things. This government sits here and says nothing, and does nothing to try to alleviate those kinds of things.

The major platform of Ed Broadbent, our leader in the 1980s, during the 1980 election, the 1984 election, and the 1988 election, in which I was also involved, was federal, provincial, municipal programs to spur our economy. The Liberals had a one-day meeting here in Ottawa three or four days ago and came up with the idea that it is their idea.

I want to say that it is an excellent idea because what we have here is a proposal that we can work with the municipalities as federal, provincial and municipal governments to invest in our municipalities during times of depression, to upgrade our sewer systems and our various systems to bring them on stream. It is an investment. It is not a debt. That is an investment that we are going to have to carry out to meet the environmental problems that we have across Canada. It would meet the needs of many of these people under the Canada Assistance Plan. They are there in those communities throughout Canada and they could be employed in a meaningful way which everyone of them I am sure wants to be.

This government came in and said it is not going to address those problems, it is going to cap it so less is available. It will ensure that the programs brought in are more concerned with what happens to the interest rate and what happens to the Canadian dollar. It is more concerned with that than with the people it represents.

That is not good enough and the Canadian people are not going to accept that. Enough misery has been added to the Canadian people with the goods and services tax, with the various programs that have been cut back. They have had enough and it is time that this government changed its direction and not wait until just before the election and then come out with a bunch of goodies to try to change the devastation it has caused across this country.

I heard the member from GANDER—GRAND FALLS state in his question this afternoon that this government should go to Siberia. I think that many people here would agree. In my view maybe we should not put that kind of stress on that country which has enough problems already.

Let us make sure that we get the government out of here because it has done enough damage.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Madam Speaker, in rising to speak to Bill C-32, an act to amend the Canada Assistance Plan, before I get into the substance of my remarks I want to comment briefly on the earlier interjection during the debate by the hon. member for Mississauga South.

He had the temerity to suggest that Bill C-32 was a piece of legislation which would increase the government's contribution by 5 per cent. He knows better.

The government is putting a limit on an agreed upon increase at a time when as a result of the government's policies, of which he is a member and a supporter, those welfare lines and social assistance lines are climbing out of proportion to the norm.

• (1620)

The member for Mississauga South and his Conservative colleagues are saying to the increasing numbers of people who are being forced to line up in soup lines, in food bank lines and in social assistance lines, after the first five people: "Sorry, the rest of you 95 are out of here, even though we are responsible in large part for putting you in this line-up."

How that member can suggest that is offering something by this legislation I will never know. The hon. gentleman can be pretty clever at times, but he is a little off base this time around.

Bill C-32 allows for the extension of the 5 per cent limit on the Canada Assistance Plan for the provinces of Alberta, B.C. and Ontario. Bill C-69 capped at 5 per cent the federal funding increases until 1992 and Bill C-32 extends the cap up to 1995. The Canada Assistance Plan is the only mechanism by which the federal government funds social assistance and social services.

Like one of my colleagues previously, I want to comment just briefly on how this and similar measures by

this Conservative government have cost many of the citizens of my home province of British Columbia very dearly.

Recently, on February 4, the Government of British Columbia released a brief produced by the B.C. Minister of Finance and Corporate Relations concerning the financial toll of federal cuts to transfer payments, the Established Programs Financing for health and post-secondary education and the Canada Assistance Plan and other programs. The paper details the actions of past Liberal and Conservative federal governments and the impact they have had on the B.C. budget.

The combined effect on B.C. of off-loading measures implemented since 1982 will be $1.1 billion in 1991-92, which is equivalent to 67 per cent of the estimated 1991-92 budget deficit of $1.7 billion. If the current off-loading continues to the first year of the new century, the negative fiscal impact on B.C. will be $32.7 billion.

Regarding the Established Programs Financing, the action taken earlier, the impact of Liberal and Tory changes over the years to the EPF funding formula, will result in B.C. losing $6.8 billion by the end of 1994-95.

Regarding the Canada Assistance Plan, the B.C. report notes that Canada Assistance Plan benefits are used to assist people, not governments. In 1991-92, $166 million will be lost to B.C. due to the 5 per cent gross ceiling and more than $1 billion will be lost by 1994-95.

With those kinds of figures, it is no wonder many people in western Canada, particularly in the province of British Columbia, are wondering just what is in it for them. It does not lead to the kind of understanding that there ought to be when we are attempting to form a new Constitution and a new relationship between the various parts of Canada.

The government has introduced these measures in the name of fiscal restraint and says that it is only the rich provinces that are affected and can afford the cap. The fact is that 50 per cent of Canada's poor live in British Columbia, Alberta and Ontario. The people in these provinces are as poor as those anywhere else in Canada. If you are poor, you are poor.

The very provinces that are affected by the cap on the Canada Assistance Plan are attractive provinces for those looking for work to move to, but when work is not available many of them must go on social assistance, placing an even larger burden on the welfare rolls in those provinces proportionately to those going on the welfare rolls in others.

A June 1991 Statistics Canada study shows that the large increase in the federal debt over the past 15 years was not caused by increases in program spending, as the Conservatives have alleged. That study examining the growth of the federal debt from $56 billion in 1974-75 to over $400 billion at the end of 1989-90 concludes: "It was not explosive growth and program spending that caused the increase in deficits after 1975, but a drop in federal revenues relative to the growth of the GDP and rising debt charges".

To go on: "Broadly speaking, government program spending as a share of gross domestic product did not rise significantly from 1975—in fact, it moderated compared to the preceding 10 years. Excluding unemployment insurance, which is intended to be self-financing over the business cycle, social program spending has not increased relative to GDP over the last 16 years".

In spite of the claims made by Conservatives and members on that side of the House, who tend to give weight to the mythology that it is program spending, especially social program spending, that has been largely to blame for the federal debt and use the backlash created by those kinds of statements to support their current cuts in social programs, particularly programs like the Canada Assistance Plan, facts from Statistics Canada show demonstrably that it is simply not true.

This is just one example of the social and fiscal irresponsibility on the part of successive federal governments, both Liberal and Conservative. Bill C-32 is just another example of how this government has decided to place the burden of paying off the debt on the shoulders of those who can least afford it.

An hon. member: Just like the NDP is doing in Ontario.

Mr. Kristiansen: Madam Speaker, some member keeps referring to Ontario. There is a big "O", a big zero, at the beginning of Ontario and I would suggest that is where that member is. If you had taken the zeros who managed to create a terrible debt burden at a time when the economy was still growing out of Ontario,

nobody would have the kind of problems in Canada that we currently have.

Another problem this government is now attempting to deal with, in a rather mischievous way, stems from the ever growing debt burden that has been created since the end of the Second World War, and it was not a result of program spending. As I said before, it had much more to do with the perversions in the tax structure the Conservative Party and the Liberal Party were responsible for over many years.

For example, in 1950 direct tax revenue from both the personal and corporate sectors was approximately equal, and together they covered some three-quarters of current federal expenditures. By 1988 personal taxes had risen from 35 per cent to 47 per cent of government expenditures and corporate taxes had declined from the 1951 high of 40 per cent to only 9 per cent of government expenditures, as shown on the accompanying chart. I will supply that to *Hansard*. In other words, the corporate sector has managed to curtail its relative tax liability by almost 75 per cent since 1950. In 1988 terms, if the corporate sector tax contribution had matched that of personal taxpayers instead of a budget deficit of $30 billion, Ottawa would have realized a surplus of some $18.5 billion. In other words, the government could have targeted the cause but it did not. Now the poorest Canadians are paying the price.

In conclusion, I would like to point out that Bill C-32 is just another attack by the Tories on social programs which the government claims it is making in the name of fiscal restraint. It is clear that this move is about politics, not money. These political moves amount to more breaks for the Tories' wealthy friends and a consequent life of poverty and hunger for millions of Canadians who are being squeezed and broken by the weight of high taxes with a tattered social safety net beneath them.

In my own riding of Kootenay West—Revelstoke people are suffering. This government is making it worse. It is time it had a second thought, retreated, withdrew this bill and turned its policies around to give some hope to the people of Canada.

Madam Deputy Speaker: Resuming debate. Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

Madam Deputy Speaker: All those opposed to the motion will please say nay.

Some hon. members: Nay.

Madam Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Deputy Speaker: Call in the members.

• (1630)

[*Translation*]

And the division bells having rung:

Madam Deputy Speaker: Pursuant to Standing Order 45(5)(a), the Chief Opposition Whip has asked for the division to be deferred.

[*English*]

Accordingly, pursuant to Standing Order 45(6), division of the question now before the House stands deferred until Monday at six o'clock p.m., at which time the bells to call in the members will be sounded for not more than 15 minutes.

* * *

MISCELLANEOUS STATUTE LAW AMENDMENT ACT, 1991

MEASURE TO AMEND

The House resumed from Friday, November 22, 1991, consideration of the motion of Ms. Campbell (Vancouver Centre), that Bill C-35, an act to correct certain anomalies, inconsistencies, archaisms and errors in the Statutes of Canada, to deal with other matters of non-controversial and uncomplicated nature therein and to repeal certain provisions thereof that have expired or lapsed or otherwise ceased to have effect, be read the third time and passed.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I will only be speaking for a short time on this bill because, as our House leader said in previous debate,

this bill is basically a technical bill in which we are cleaning up loose ends on several other bills that have been through committee and through the House. These basically are just minor modifications.

I wanted to speak to this bill from the point of view of someone who is not a lawyer. Sometimes when I listen to debates in this House I think most Canadians get a feeling that they do not understand what it has to do with the problems and priorities of the marketplace.

As we said earlier this week on our first day back, the number one issue, the number one concern in this country today is trying to get people back to work. Then we see a bill like this on our legislative agenda in which we are addressing over 60 to 70 different statutes. There is absolutely nothing in this bill that addresses the priorities of the population at large.

Earlier today the government House leader said that he would be prepared to listen to recommendations from the opposition side for using this national Chamber for debate on matters of special importance. I think that was a major breakthrough. It is the first time I have heard that kind of accommodation from the government House leader. Quite frankly, it is part of the reason why I will not be spending a lot of time on this bill. He has addressed my concern that we should spend very little time on technical bills like this because they do absolutely nothing to address the priorities of the economic agenda which is so important and which the people of Canada want us to address today.

Also, as I was going through some of the amendments that were being addressed in this bill, some of the statutes that were being repealed, I see things in here like the Canadian Unity Information Office which is finally being abolished. I see things like the final memory of Lotto-Canada, the final memory of many of these railway institutions from region to region, coast to coast. I am reminded once again of what makes my vision or my feeling of this country different from the government side.

I have always believed in a strong national government. It is from national programs that we develop a national will and a sense that binds us as a country.

As I was going through the index of all the amendments that are being made, I saw further examples and memories of how we have basically dismantled so many things in this country in the last few years. I think it is one of the reasons that we have a problem of unity in this country today. It is because we have fragmented the country so much.

I had intended to speak a little longer on this bill but I was so pleased to hear the government House leader's offer today that we would extend the hours of this House for special issues related to the economy. Out of respect to him, I am going to cut my remarks short so that we can move on with this bill quickly and get on to more important business.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, I have had a chance to look at this bill and I certainly appreciate the comments of my colleague from across the floor and the comments of my colleague from Broadview—Greenwood.

I did expect him to have his comments shortened, but I did not appreciate that they would be as short as they were. He and I had discussed this very briefly.

I would ask him if there are sections in this particular housekeeping bill, which really it is, that cause him any grief or any concern. There are a couple of things perhaps that might want to be debated in the House and I just wondered if there are any areas here that struck him as being outstanding or anything that is other than a housekeeping issue.

Mr. Mills: I want to say to my colleague that the technical aspects of this bill are so basic that I sometimes wonder why we even waste the taxpayers' money in bringing these minor amendments that have absolutely no effect on the basic thrust of the policy of government.

After reviewing this bill, I cannot justify spending any more time on this bill than I have because to me, it is not what Canadians want us to be debating right now. They do not want us to be debating about whether a clause should be in column one or column two, or whether the word "minister" should be in line one or line ten.

There is a natural tendency when a bill comes from the government side, and especially when it is an omnibus bill like this one where there are close to 200 different

amendments, that we think that maybe the government is trying to pull one over on us.

You look through it and ask: "My goodness, what exactly does this mean?" I have checked with the researchers and there is absolutely nothing in this bill that will change the policy thrust or the direction of any of the bills that it is related to.

My problem with this bill is that on our first week back, why would the government put this on the agenda? Is there absolutely so much lack of creativity in legislation over there or other legislation pending that we cannot put something in this House to debate that will help put Canadians back to work?

• (1640)

People do not want us standing here in this House today debating whether a clause should be in subsection (b) or (c) or (d). They just do not want that. They want us to talk about the real suffering, the problems that are facing people in terms of meeting their mortgage payments, preserving their jobs and trying to figure out ways to get this economy going again.

The quicker that we can get on with this bill and get on to something that is more relevant to the economy the better off we are all going to be and the more respect we will bring to this House.

Mr. Mifflin: Madam Speaker, once again I applaud my colleague for his sincerity and his directness on this particular aspect.

I see people nodding their heads, but there is something here that I want to talk about. I want to draw it to the member's attention in case he had not seen it. I think I have a few moments to discuss this.

It is clause 24 of the Canada Pension Plan. This clause, for those of you who have a copy of the bill, is an amendment that will permit the Commissioner of Review Tribunals rather than the minister to extend the time for appeals under this section.

That may sound like a very innocuous type of amendment. But as all of us here are members of this House and receive requests from our constituents, I cannot begin to tell you how many applications I have had for reviews of pensions, particularly from people who have been disabled.

Quite frankly, I have been surprised and truly disappointed over the attitude of those who are involved in reviewing pensions. Here is the chronology. Somebody who is clearly permanently disabled, cannot find work, and is under a doctor's care makes application for a Canada pension, a disability pension and in almost every case unless the documentation is 110 per cent, the answer is no. It is easier to say no than to say yes. We all face this.

Then there is a long procedure, at a time when the constituent has no source of income, is undergoing a doctor's care and is in a very dismal economic situation from a morale viewpoint, and the bureaucracy is saying to the constituent and family: "Well, we do not think so".

There is more documentation, there are more visits to doctors, more substantiations on why the disability is permanent and why the work cannot take place and the appeal process goes on. I have been involved in constituent cases that have taken over two years. The answer comes back finally, yes.

One of the control mechanisms we have in this is that for the tribunal to extend the time of an appeal, which is long enough now, it has to go through the drill of going to the minister and saying that it wants the appeal time extended.

Ministers being responsible, I am sure will ask why. Their staffs will ask that, their chiefs of staff, their assistants. I am not happy with the system as it now is.

Now this authority has been subordinated to somebody who is not a minister, who is not answerable to constituents. I see this as prolonging the process and making it more difficult for members of Parliament to be responsible to their constituents because the minister is now taken out of the chain of at least keeping the appeal period to a minimum.

I see this amendment here, clause 24, as being a retrograde step and being a step that will not serve those constituents who have a devil of a time convincing the pension boards and the disability boards that they are in fact disabled, that they cannot find work.

I checked in my office just before I came here. Right now, we have over 34 cases. Some are in the process of being approved. That is 34 cases for one riding. Let us say that is an average riding. Multiply that by 295 ridings and that means close to 10,000 cases that are being considered.

Ministers as politicians realize the need to keep the appeal time to a reasonable time as they have people themselves who are in the same condition.

If you subordinate this to somebody who is not answerable to a constituent or to a number of constituents, I fear that this will make this process, with which I am very unhappy now and other members are as well, an even longer process and a process that will cause more grief to constituents.

I am very concerned about this aspect of this particular clause. I know that other members are as well. I want the House to take note of that and I am sure my hon. colleague for Broadview—Greenwood would agree with that.

Mr. George S. Rideout (Moncton): Madam Speaker, it really is an exciting moment in my political career to be up speaking on this particular piece of legislation.

I want to talk about these very important amendments to legislation dealing with anomalies, inconsistencies and errors in statutes. We have to correct these things. We cannot allow errors to continue. If we are not here to correct them, then who will? We really are embarking on an important adventure with this piece of legislation.

As we go through this we see amendments to legislation like the Bank Act and the Trust Companies Act. The chairman of that committee knows, and we have just gone through all these amendments and changes and supposedly fixed up the legislation. Here we are now amending it again.

When is the government going to get it right? It is so discouraging that we on this side have to go through these changes when we have just taken a look at the legislation and said: "Now, here we are really finally doing something that is positive for Canadians, putting the four pillars of our financial institutions on a firm basis."

Here we find out that there is still amendment after amendment that has to be dealt with. I can tell by the look on your face, Madam Speaker, that you are as upset about this as I am. So is the chairman. I am surprised that you have not taken some of the officials to task, Mr. Chairman.

An hon. member: Why don't you fix it up?

Mr. Rideout Yes, it should have been done. There are amendments dealing with agencies that are near and dear to the hearts of Atlantic Canadians, the ACOA legislation, the Atlantic opportunities initiatives, those types of things requiring amendments.

These are serious amendments and they do have ramifications. As you go through them you find that they refer to the wrong sections, or they misspelled words, or referred things to the wrong director. But for the loyal opposition being on guard for these things, they would be slipping through. I hesitate to think what could have happened.

That is why we are up on this very important piece of legislation. I know that you want us to to through each and every one of these.

Mr. Robitaille: What is the conclusion; we want a conclusion.

Mr. Rideout: You want conclusions. There are things in here that I know are on the speaker's mind dealing with migratory birds. If they are not allowed to migrate, what is going to happen? You have to realize that it is very serious for them.

All jesting aside, this is a detailed list of changes. We in the justice committee have gone through these and have perused them rigorously to make sure that finally we will get some of the acts corrected. For that reason, I wanted to speak on that and to compliment the chairman of the justice and solicitor general committee for his efforts in correcting some of the mistakes. The whole committee worked very hard. It is somewhat like the banking committee. We worked diligently night and day to go through these amendments to make sure that finally we had a legislative system that would work. As you peruse these, as I have, you will find there are a lot of good amendments here. There are a lot of things that really do correct the legislation. My colleagues have already referred to some of the things that were on their minds, and without going back over those, they did touch on some very important matters.

• (1650)

The committee is unsung when it does this type of work. People jest and make fun of the efforts—

Mr. Milliken: It must be pretty boring.

Mr. Rideout: It was and it was tiring. Look at how thick the bill is. To have to go through all of those things and try to correct the mistakes that government and its officials make is discouraging but we have done it and have done an excellent job. It is almost an inch thick which gives you an idea of the magnitude of the problems that the government has.

I do want to speak on this legislation for at least another eight minutes and tell the Canadian people how important this particular bill is.

Mr. Blenkarn: You do not have to.

Mr. Rideout: My learned colleague wanted an opportunity to speak for five minutes as well and I feel it would be unfair for me to monopolize all of the time when I know he has done a fair degree of research and put a lot of effort as well into the fine tuning that has to be done. So I would defer to the member for Kingston and the Islands. You can tell by the look on his face that he is just dying to get up here and talk about this legislation. I will stand aside and allow him to proceed.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I do have some questions I want to put to my hon. and very learned friend whom I know—

Some hon. Members: Oh, oh.

Mr. Milliken: Hon. members opposite laugh but it is quite a proper appellation for someone as distinguished as the hon. member for Moncton.

I want to say, Madam Speaker, that I have had a glance, of course, through this bill—yes, I have—and I found it fairly turgid reading. It is one that is quite difficult to follow because each section amends a subsection of another act and unless you have the other act in front of you, it is difficult to follow.

For example, I read one part that says: "The headings in the preceding section 7 of the said act are repealed and the following substituted therefor" and then it goes through a series of changes to the Copyright Act. The headings do not make a lot of sense unless you have the act in front of you. The change is only that it renumbers one of the parts.

It is errors like that which creep into statutes. I know what my hon. and learned friend from Moncton was referring to in his speech. I understand he was a member of the committee that spent, as he says, night and day studying this bill. I am wondering, first of all, did the committee in the course of its deliberations ask the Minister of Justice how many days and nights she spent in drafting this legislation?

Mr. Rideout: Madam Speaker, the Minister of Justice was preoccupied and I am not allowed to refer to the fact that she was not there, but she was not so I will not refer to that.

The officials did assure us they had gone through the bill in great detail and the comforting fact is that there is nothing of any magnitude in these amendments. They were purely curative in nature and nothing that would impact on any legislation or change or alter the course of the ship of state. For that reason, our committee did have some comfort from that fact.

I think you are absolutely right when you refer to those aspects where headings become important and compass readings as well, Admiral, and all of those things are very important as far as statutes are concerned. Our committee did go through that and we spent about two or three days and the accomplishment was this bill. We are very proud as a committee—and it was unanimous, Madam Speaker—working together, trying hard, agreeing on amendments and doing what is best for Canadians rather than any partisan politics. We have gone past that now and this legislation is a clear indication of that. I congratulate all members of the committee for the hard work they have put into that.

Maybe you have another question?

Mr. Milliken: Madam Speaker, I have another question on one of the other issues that was very thoroughly discussed in this bill. In fact there was a point of order Your Honour may recall, which was raised at the time the bill was introduced and was of some significance.

The hon. and learned member for Moncton in his comments may want to refer to the work his committee did in relation to that point, that there were some acts referred to in part III of this bill which dealt with bills introduced but not yet assented to.

In other words, this bill proposed amendments to other bills before the House, which procedure was described as irregular at least, if not out of order, by my learned and hon. colleague the hon. member for Cape Breton—East Richmond. The reference was to these bills that the government had introduced in the House. Apparently it had blundered in the bills and of course in some of them we know that that happens. Bill C–32 which we were debating earlier today was one of those blunders. The government did not seek to amend it, but it did amend some other bills that had been introduced in the House and that were the subject of debate.

I find it odd that you would seek to amend one bill by another bill instead of moving an amendment to the original bill, but for one reason or another it did not do that.

I wonder if my hon. and learned colleague in the course of deliberations in the committee took a look at this procedure and may have passed any judgment in the course of the committee deliberations on whether the government had behaved responsibly or indeed properly in seeking to amend bills by introducing another bill as this one is, instead of doing amendments to the bills directly, as it should have done before they got royal assent either here or in the other place.

Mr. Rideout: Madam Speaker, I want to thank the member for Kingston and the Islands for that thoughtful question. It is most helpful to me because it brings forward those types of problems a committee deals with.

We did not want to throw too many stones against the government because one sees the magnitude of the blunders that are here. But there are problems in amending legislation through a collective bill rather than going back and going over it. It was very difficult. I think part of time-taking that the committee went through was actually cross-checking because once you are put on notice that the government cannot do it properly, it is incumbent upon the opposition members on these committees to go through in great detail, analysing what happened and what was intended by the legislation and questionning witnesses. We had a number of officials go through and actually study those things and try to make sure that this time it was right.

I should not say this because to err is human and probably we might have even let a few things slip through this time but we were most diligent in looking at that. I hope when amendments come forward as time goes on that the bill will actually be brought forward so that members of the House, and the public in general, will have an idea of what it is all about. I can assure you having gone through this in detail, getting ready for this debate, it is difficult and it is not fair.

The government has told us that it wants to have simplicity in its statutes, in language, and here was an opportunity. Instead it has been made very confusing. I hope as it embarks on the next task of correcting more of its errors that when it comes forward with those that it will bring the bills forward. Then we will have a chance to really see how it fits.

Rather than having to pull those books off the shelf and go through all of them, find everything and check it through, it will all be there in front of us. It would make things a lot easier for legislators, and I think it would make it easier for Canadians because I know they as well want to go through and make sure that the government—

• (1700)

Madam Deputy Speaker: I am sorry to have to announce to the hon. gentleman that it is five o'clock.

There is an announcement that I should make to the House.

[*Translation*]

The hon. member for Dartmouth informed me in writing that he was unable to present his motion during the time reserved for private members' business tomorrow, Friday, February 7, 1992. Since it was not possible to arrange for an exchange of positions in the order of precedence, pursuant to Standing Order 94(2)(*a*), I ask the Clerk to drop this item to the bottom of the order of precedence.

[*English*]

Pursuant to Standing Order 94(2)(b), private members' hour will thus be suspended and the House will continue with the business before it prior to private members' hour.

It being five o'clock p.m., pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

Private Members' Business

PRIVATE MEMBERS' BUSINESS

[*English*]

HOUSE OF COMMONS

PROPOSED AMENDMENTS TO STANDING ORDERS

Mr. Ross Harvey (Edmonton East) moved:

That the Standing Orders of the House of Commons be amended as follows:

Standing Order 36(2)(b) is amended by inserting the words "Except as otherwise provided in Standing Order 36.1," at the beginning of it; and

The following is added after Standing Order 36:

"36.1 A petition which purports to be signed by

(a) 3 percent of the persons entitled to vote in a general election to the House of Commons in the case of a petition which does not pray for any expenditure, grant or charge on the public revenue, or

(b) 5 percent of the persons entitled to vote in a general election to the House of Commons in the case of a petition which prays for an expenditure, grant or charge on the public revenue,

shall, upon being presented by a member in the House pursuant to Standing Order 36, and notwithstanding Standing Order 36(2), automatically stand referred to the Chief Electoral Officer, who shall determine whether or not the petition complies with clause (a) or (b) by counting the signatures and verifying such proportion of them as is in his opinion reasonable, and shall report his findings to the House with all practicable speed and in any case not later than three weeks following the reference to him if the House is then sitting or on the first sitting day next occurring if the House is not then sitting.

36.2 Within 10 sitting days of the receipt by the House of a report from the Chief Electoral Officer certifying that a petition referred to him pursuant to Standing Order 36.1 complies with Standing Order 36.1(a) or (b), the House shall debate a motion on the question of the petition's prayer, such motion being in the form set out in section (6).

(2) Not less than 3 hours on the same sitting day shall be set aside for consideration of the petition's prayer and no motion to adjourn the debate shall be considered by the House until such time as the 3 hours have elapsed, save by unanimous consent.

(3) The time set aside for consideration of the motion pursuant to section (2), and any additional time for its further consideration, shall be set by the Government House Leader, and shall be during time otherwise reserved for consideration of Government Business, and notice of the time so set aside shall be given not less than two days prior.

(4) When the motion is being considered, no Member shall speak for more than 10 minutes.

(5) No other matter or item of Government Business shall be considered by the House until such time as the motion has been considered and decided upon by the House.

(6) At the conclusion of consideration of the motion, the Speaker shall put the following question:

"Shall the petitioners' prayer stand referred to the Standing Committee on Privileges and Elections?"

(7) If the motion is passed, the petitioners' prayer shall automatically stand referred to the Standing Committee on Privileges and Elections.

36.3 (1) When a petition is referred to the Standing Committee on Privileges and Elections pursuant to Standing Order 36.2(7), the Committee shall, within 15 sitting days of the referral, report back to the House.

(2) The Committee's report shall be in the form of either a

(a) Bill for an Act which, if adopted by the Parliament, or

(b) Motion which, if adopted by the House, would give effect to the petitioners' prayer.

36.4 (1) If a Bill or Motion prepared pursuant to Standing Order 36.3 does not contain a provision for an expenditure, grant or charge on the public revenue, then the Member who presented the petition shall be deemed to be the sponsor of the Bill or mover of the Motion in the House, and shall be responsible for securing a seconder.

(2) If a Bill or Motion prepared pursuant to Standing Order 36.3 contains a provision for an expenditure, grant or charge on the public revenue, then a Minister who is a Member of Parliament designated for this purpose by the Ministry shall seek the recommendation of the Governor General for the Bill or Motion, and thereafter that Minister shall be deemed to be the sponsor of the Bill or mover of the Motion in the House, and shall be responsible for securing a seconder.

(3) A Bill or Motion brought forward pursuant to this Standing Order shall be placed on the Order Paper under Government Bills or Government Business, as the case may be.

36.5 If the House is prorogued or dissolved before all matters brought before it pursuant to Standing Orders 36.2 and 36.4 are resolved, then those matters shall be placed on the Order Paper for the next session of the House in the form in which they had been left and at the stage at which they had been left at the time of prorogation or dissolution.

36.6 No vote taken in the House pursuant to Standing Orders 36.2 and 36.4 shall be deemed to involve a question of the confidence of the House in the Ministry or a Minister."

He said: Madam Speaker, I commend to your attention and the attention of the House the following words and ask that you think carefully on them as I recite them:

> The petition of the undersigned residents of Canada who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefor provide a remedy humbly sheweth—

How grand those words sound, how noble, how redolent of the comfortingly musty air of parliamentary history, tradition and practice. And yet, how hollow, how thin, how utterly void of force and meaning.

Can any member in this Chamber number the times she or he has heard these words or their latter day variants uttered during the Routine Proceedings of this House? Yet can any member name a single instance in which a petition solemnly presented here has resulted in a change of policy, a shift in spending, the taking of some requested action or the abandonment of some other? Can any member name a single instance in which beyond its perfunctory hearing, a petition's prayer was even considered in this House?

I suspect not, which is sad, and I believe dangerous.

We live in a time when many Canadians, despairing of the fruits of their parliamentary institutions and even of the general conduct of public affairs, are coming to despair of public democratic government itself, believing contemporary policies to be the creation not of the parties and politicians who transitorily inhabit and control our democratic institutions, but rather of our democratic institutions themselves. Many Canadians see institutional reform as their best chance for relief from the government policies that cause them so much pain and frustration.

So it is that we see deeply angered westerners, hit hard by depressed international commodity prices, repeating the dull incantation that a Triple-E Senate might forever save the west from another NEP or the unfair awarding of an aircraft service contract.

So it is we see deeply angered Ontarians who have watched their once mighty manufacturing sector devastated in the wake of free trade after decades of truncated branch plant development turn their fury on constitutional guarantees of minority language rights.

So it is that we see maritimers suffering the agonies of depleted fish stocks and the shock of a GST on top of already high provincial taxes ponder the relative merits of maritime union or, like westerners, a Triple-E Senate.

And so it is we see Quebecois battling high interest rates, the high dollar and looming behind all else the dark spectre of ultimate cultural assimilation and extinction. We see them reaching for the intoxicating elixir of independence.

Everywhere, Canadians seem to be seeking institutional solutions to political problems. We should not be surprised at this. Canadians are faced with a government they seem unable to influence. They find themselves truly suffering with the consequences of policies they despise, but apparently having no means of reversing or even moderating those policies.

Canadians write letters in numbers sufficient to denude forests and are ignored. They sign protest petitions by the hundreds of thousands and are told the policies they protest are for their own good. They demonstrate on the streets of the nation in the tens of thousands and are dismissed as isolated and ignorant cranks.

In short, Canadians find themselves devoid of political influence at the very centre of those institutions which exist ostensibly to effect their will. I believe this is the fault of those currently occupying those centres. I believe the government is so blinded by its own misguided ideological mission that it refuses to see the suffering it is causing the Canadian people; refuses to see the flag of rage raised against it. I also believe that the task of those who wish to return the voice of the Canadian people to the councils of policy in power is a political task and not an institutional one.

The best and most effective response to the follies and predations of the current government would be not to change Parliament, but to change the government. I am certain this will happen at the first opportunity. I fervently hope the change will be enough to begin a reversal of the policies that have been devastating this country and not just to change the faces of those politicians uttering vacuous justifications of those policies.

Even when we do finally elect a government that will serve Canadians, it would be prudent as well to implement means to ensure that government continues serv-

ing Canadians. We must find ways of ushering the clear political voice of the Canadian people directly into our deliberations. If we are to battle the corrosive cynicism and misguided, institutionally oriented politics that now eat at the heart of true political debate in this country, we must devise means of making that debate more immediately felt in this House. We must open the doors of this Chamber to the concerted intervention of the Canadian people.

Motion No. 89 before us today is a modest attempt to begin this process. It is offered in an effort to restore some degree of credibility to our parliamentary institutions by making more real and effective the political concerns of Canadians within this institution.

This would happen by making petitions effective again. I say again because petitions have not always been the pathetic little squeaks of formulaic protest to which they are now reduced. Before the Magna Carta there were petitions directed to the Crown and, as often as not, seeking redress for some grievance, although no record exists for how often such redress was granted. The institution of petitions remains sufficiently valuable and vibrant to warrant its specific reaffirmation in the Bill of Rights of 1689. The right to petition Parliament slowly evolved out of this statutory and conventionally constitutional right to petition the Crown.

Similarly, as is noted in citation 666 at page 209 of the fifth edition of Beauchesne's:

> The right of petitioning the Crown and Parliament for redress of grievances is acknowledged as a fundamental principle of the Constitution and has been exercised without interruption since 1867.

Exercised without interruption perhaps, but I suspect it has as well been exercised with ever lessening effect.

This was probably inevitable, but even if inevitable, the erosion of the power of petitions should now be reversed. Democratic practice requires no less.

It lies within the power of this House, through Motion No. 89, to change this, to restore to petitions the status of effective agent of the *vox populi* at the very heart of the parliamentary process.

The mechanism is simple. All that is required is an amendment to our Standing Orders to compel the House to debate and pass upon any matter brought to its attention by a sufficiently large number of petitioners.

• (1710)

Where a petition asked for something that did not require the expenditure of public money, such as a government commitment to reducing carbon dioxide emissions to 80 per cent of their 1988 level by the year 2005, the signatures of 3 per cent of the electorate, about 530,000 electors, would be enough to compel parliamentary consideration.

Where a petition asked for something that did require the expenditure of public money, such as the implementation of a new national child care program, the signatures of 5 per cent of the electorate, about 880,000 electors, would be enough to compel such consideration.

In either case, the petitions would be referred to the Chief Electoral Officer for verification of the numbers of signatures. Once certified by the Chief Electoral Officer, a petition's prayer would have to be debated in this House for a minimum of three hours on government business time. At the conclusion of that debate, the House would have to vote on whether it supported the prayer.

Contrast this proposal with the current state of affairs. Today, petitions are presented by hon. members pursuant to Standing Order 36. They then quickly subside beneath the murky parliamentary waters.

According to the fifth edition of Beauchesne's in citation 695 at page 213, unanimous consent must be granted just to have the Clerk read out a petition's prayer. The only way a petition can be referred to a committee thereafter is with another show of unanimous consent.

However, if Motion No. 89 were adopted and the House voted to support a petition's prayer, the Standing Committee on Privileges and Elections would be charged automatically with preparing a motion or a bill for an act which, if adopted by the House and the Senate in the case of a bill, would give effect to the prayer. That motion or bill would then proceed through the House as a regular piece of government business, except that if the House dissolved or prorogued the motion or bill would automatically be reinstated at the next sitting of the House at the stage and form in which it had been left at dissolution or prorogation.

Of key importance is Motion No. 89's proposed section 36.6 which provides that no vote taken in this House on a petition's prayer or subsequent motion or bill:

> —shall be deemed to involve a question of the confidence of the House in the ministry or a minister.

In other words, all votes in the House on matters arising out of petitions should be free votes.

I would like to note here that I cannot claim exclusive credit or blame, depending on your point of view, for drafting and promoting this motion and the ideas behind it. Jim Gurnett, then the member of the Alberta Legislative Assembly for the constituency of Spirit River—Fairview, and I first cobbled together a motion very much like this one in 1985. Our goal then was the same as I have presented today: To grant people the ability directly to affect the legislative agenda of their parliaments and thereby restore at least some of the people's faith in their democratic institutions.

This proposal was the cornerstone of the Alberta New Democrats' very first public announcement in the Alberta general election of 1986. That was the election which saw their caucus grow from two to 16 members.

Unfortunately, Jim Gurnett was defeated in that election. Upon the convening of the new legislature, this motion was taken up by Gordon Wright, then the newly-elected member for Edmonton Strathcona. Both these men are among the finest I have ever had the pleasure to meet and work with and I am deeply honoured today to be advancing in this House a democratic proposal of the sort previously championed by them in the Alberta legislature.

Surely, some may say, there are other better ways to raise the voice of the Canadian people directly in their Parliament. It is true that other proposals have been made. Hon. members will know that there have been at least two proposals on the Order Paper in addition to Motion No. 89, both aimed at increasing Canadians' control over, and impact on, the political process. The hon. member for Etobicoke—Lakeshore has proposed Bill C-201, a bill for an act which would provide for the holding of referenda on various matters. The hon. member for Calgary Northeast had previously proposed Motion No. 664, a motion seeking a constitutional amendment to provide for holding of referenda when called for by a petition of 10 per cent of electors.

Both these proposals have some merit and are certainly worthy of the House's consideration. Neither can be affected by this House acting alone. In both cases this House's hands can be tied by the Senate.

Motion No. 89 on the other hand can be adopted by the House acting on its own without reference to any other body or authority, and because it is a motion and not a bill, only one vote is required. All that is needed is a willingness on the part of no more than 148 hon. members, a simple majority, to give the people of Canada a little more say over what goes on in their Parliament.

Some may object that Motion No. 89 would have the effect of preventing those elected to govern from doing so, that it would remove decision making from the thoughtful chambers of Parliament and hurl it into the chaos and passion of street level politics. They may see in Motion No. 89 a system discomfortingly close to the form of legislation by initiative found in several American states.

Setting aside for the moment my personal conviction that this may not be such a bad thing, I must with some mixed feelings assure hon. members that this objection is groundless. All the motion provides is that the people of Canada, in sufficient numbers, may compel their Parliament to consider a matter. It remains for Parliament to decide the matter; both at the initial debate on the petition's prayer and, should the prayer be supported, at the debate on the consequent motion or bill.

Further, in precluding the operation of the confidence convention, the motion attempts to ensure that each matter brought forward by petition is considered on its merits alone.

Some may object that passage of this motion would result in legislative gridlock, that the House would be inundated with petitions seeking all manner of fanciful programs and policies and that consequently the legitimate business of the House of Commons would be shoved aside.

To this objection there are two responses. First, the number of signatures required would ensure only the most widely supported initiatives would be brought before this House in this fashion. As one who has spent more than a few hours on cold winter streets attempting to coax signatures from reluctant citizens, I can say that collecting one signature each from a minimum half

million voters is no mean feat. It requires extensive organization and widespread grassroots support for the proposition being advanced. The workout alone would be sufficient to weed out all the frivolous and most of the vexatious efforts, ensuring that only matters of substantial public interest were brought forward.

Second, there is what Beachesne's calls an old rule of Parliament. It is a rule first passed in 1604 and conventionally enforced in this House to this day. It precludes consideration of any question previously considered and passed upon in the same session. Citing the fourth edition of Bourinot, Beauchesne's at page 172 of the sixth edition, quotes this old rule as:

> That a question being once made and carried in the affirmative or negative, cannot be questioned again but must stand as the judgment of the House.

This would ensure that only matters not previously debated and resolved by the House would be brought forward. Therefore, given these two conditions the House can be certain that only matters of great public significance not previously determined by the House would be brought forward should Motion No. 89 be adopted.

I would note parenthetically my personal hope that the rule against consideration by the House of any question more than once in a session would not be enforced so rigidly as to prevent legitimate consideration of legitimate matters legitimately placed before this House by petition. There is a danger that over-strict interpretation of this rule could itself constrict the reasonable democratic rights this Motion seeks to establish.

As well, it is greatly to be hoped that governments would not resort to the transparent strategy of quickly introducing and disposing of motions or bills which in content and purpose closely mimicked those of an anticipated petition solely for the purpose of precluding that petition's consideration.

I suggest, however, that these concerns are modest compared to the benefits to be derived from the adoption of Motion No. 89.

As I noted at the outset, it ought to be crystal clear to all hon. members that most Canadians no longer believe what they think and want matters in their Parliament. It is equally clear that they believe there is nothing they can do about it between elections.

This condition is dangerous because it creates the sullen cynicism that can corrode public confidence in, and thus support for, the democratic institutions that constitute the bedrock upon which our civil society is built.

• (1720)

I believe that. In the face of such concerns, we must do what we can. We must take any reasonable measure we can to support and extend our fellow citizens' ability to influence their Parliament.

Motion No. 89 is such a reasonable measure. Its adoption by this House would be an eminently worthwhile investment in the democratic future of our country at a time when real evidence of good faith by elected politicians would be welcomed by the Canadian people.

To adopt motion No. 89 would be good for democracy. It would be good for Parliament. It would be good for Canada.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is not common for Whips in our system to participate in parliamentary debates. It is not against the rules but it is not something that we do often. Certainly it is something that I would not do if in fact this particular private members' motion was to be coming to a vote.

There is a responsibility related to votes that goes with the Whip's job. We have been trying in the spirit of parliamentary reform to make sure that Private Members' Business is conducted by private members for private members. There is a distinction between votable motions and non-votable motions.

If it were votable then our side on every one of those occasions since I became Whip after the 1988 election has never had a Whip on any private members' motion that came to a vote. I would hate to provide a signal that was different.

I have spent a few hours of my life, over close to 13 years in this Chamber, and at various times have had responsibilities related to the rules of the Chamber and have had occasion to read those rules for all of their significance on a number of occasions. I felt compelled when I saw this particular motion to rise and express

some objection to what I was reading about in terms of the motion itself and what I was hearing in terms of the speech of my colleague from across the way.

This is a funny place. One can ask oneself why do Canadians lose confidence in it? They watch a hockey game and there are rules to a hockey game. They expect them to be the same from one game to the next. In this place it seems to people they are not the same. We have a set of rules and people do not obey them.

I simply say to the member: When you enter into the business of changing rules, do so with some trepidation. I realize he has only been in this Chamber about three years or maybe a little more than three years. It takes a long time to understand the rules of this place and the nuances and it takes a lot of effort.

To say one has a great idea to change the rules and to be reading a text about rule changes in the Chamber is a bit of an anomaly. One of the basic rules is that we really should not read what it is we say in this Chamber. This is a Chamber for debate. It is not a Chamber for reading texts which may have been created by the member or by someone else.

If one enters into the rule debate, one should be really careful to try to obey the rules as they exist as one petitions for a change in the rules. Years ago, in 1979, when I was a new member and we lost the confidence vote and we were back in an election in 1980, we brought forward a budget that created what the Canadian Council on Social Development called the fairest budget to poor people in the decade of the seventies. The NDP moved a motion to turf it out. They voted for the motion and they did turf it out. Yet we had heard so much rhetoric for so many days and so many months about how they cared about poor people and the fairness for poor people. At the very first opportunity to grab for power they turned their backs on the poor people. Under the guise of democracy, it is bringing forward one of the most expensive undertakings that I have seen brought forward in this Chamber.

We are talking about the need to create something in the order of one million signatures. If you have deep pockets with lots of money, you can hire firms like all those American firms that deal with petitions. You can go out and hire them to advance any cause you want. There is no way the poor people of this country could gather one million signatures. They do not have the money. You are trying to turn the legislative dominance of this Chamber over to people with thick wallets. That runs counter to what I think my life has stood for, and what I think the lives of many members on this side have stood for. Their lives have stood for a sense of justice and fairness for everybody. To advance a set of rules which require a lot of money for people to exercise them seems like a bit of a contradiction between what is said and what members do.

On this side of the House we have to exercise a sense of responsibility. If we want rule changes affecting the role of private members, one of the tragedies is the number of motions and bills put forward by private members which are not well thought out. The wording which is inherent in them is not really responsible.

This is a classic example of somebody who is in love with an idea which may have come out of a fiction book or something. It would change the rules of this Chamber. Therefore, if you are a responsible parliamentarian, you must accept the responsibility for making propositions that use the time of this Chamber, propositions that are sensible and which will enable us to proceed in a reasonable fashion.

The member started off his speech by trying to ding government members for what they did about an aircraft maintenance contract. That was popular. The NDP premier of the province of Manitoba got all the headlines by saying that this government was really a terrible government because of that maintenance contract.

I am sitting here, poor little old me who tries to do a little bit of research before I reach a conclusion, and I ask: "Should we be repairing those airplanes today in St. Louis, Missouri and putting all the jobs in St. Louis, Missouri or were we right as a government to bring those jobs to Canada?" I look at de Havilland and I look at Canadair and Bristol and I say: "You know, the common characteristics of those two consortiums is that they are really healthy. In a time of recession they are doing very well. They do not take any more taxpayers' dollars". Canadair used to receive a subsidy of $1 billion and plus. It does not get a subsidy any more. However, there are 25 or 30 per cent more people working there with higher salaries and a better standard of living. Go to Winnipeg and look at Bristol. Again, it is the same picture, I think

there are almost 50 per cent more employees working at Bristol.

Yet, it was a bad decision. Somehow or other this government which brought the jobs back to Canada and helped two companies to expand and provide more jobs for more people committed a terrible sin.

If we were dependent on this petition mechanism, do you think it would have been any problem to get 5 per cent of voters, those who read the headlines, to sign a petition saying that the decision was wrong, to create enough political heat there on the street on the basis of little information, on misinformation and cause Parliament to do something with only 18 people out of 300 allowed to speak in three hours?

That is what this motion says: three hours, 18 people. This motion says that in four provinces, if you happen to be lucky enough to live in Ontario, Quebec, Alberta or British Columbia, you could create a petition in your province and cause this Parliament to do something. However if you lived in one of the other six, in Saskatchewan, Manitoba or P.E.I., you could not do that. You would have to go out and gather signatures in some other place.

I look at the time and those who are watching will realize that 10 minutes has gone by already. What if the petition was to eliminate income tax? Do you think there is any big trick in getting people to sign to eliminate income tax? However a responsible group must have a replacement. You cannot borrow your way into prosperity. You cannot borrow money forever. You cannot just do popular things that are will-o'-the-wisp. You have to make responsible decisions and take the heat.

• (1730)

You have to say: "No, we will not repair those jets in St. Louis; we will bring them back to Canada and create more jobs across this country in Winnipeg, Montreal, and Edmonton. If people think we are making a mistake we will listen to them carefully, we will listen to their logic. However, we will make the decision, we will be responsible and then history will tell us it was not such a bad decision after all. It was a pretty good one."

Think how unpopular the GST was. It was so unpopular that the group who promised to bring it in was elected with a majority government and those who promised not to do it were defeated. This group says that free trade was such a terrible mistake. This group says it believes in democracy but the member who says we will have a democratic petition is still fighting the free trade issue.

He ran against it in the election but the party that was in favour of it was elected. That is what democracy is all about.

You submit something to the people from time to time, give them the responsibility of picking their representatives. Then you charge those representatives with the responsibility of making tough decisions, responsible decisions, not being ruled by will-o'-the-wisp popularity at that moment but making the tough decisions which over time make this world a better place for our children, our grandchildren, ourselves, and our parents.

That is what this is about. To change our rules to accommodate the people with lots of money in this country, to give them special control of this place is something I could never, ever support.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I want to congratulate the hon. member for Edmonton East on his very able presentation and introduction of his motion. As usual his speech was articulate, very carefully worded and most enjoyable. He has a great facility with the tongue.

He obviously wrote well and I congratulate him on that. He chose his words very carefully and I congratulate him on that.

I recognize that the hon. member for Calgary West has pointed out that one of the very important rules of this House is that you are not to read in debate. The purpose is to make speeches extemporaneous. However, there are so many members who choose to read that—

An hon. member: The Prime Minister, too.

Mr. Milliken: The Prime Minister as well. There are members who do choose to read a great deal, and I think it is a matter of some regret. However that is the way it is. Unfortunately we seem to have allowed that rule to fall into desuetude. I suspect that if the rule were in force, our debates would be far more lively.

I think that many of the speeches would be much shorter and we would find that business would be conducted in a speedier fashion. I am sure that would please the government members and it would also give members of the opposition an opportunity to say what is

on their minds instead of spouting things they have considered and written down over a prolonged period.

For one reason or another the rule is not enforced. Perhaps the parliamentary secretary would want to address that issue in the house management committee of which he is the distinguished chairman, and then maybe something would come of it.

However, that is not the purpose of today's debate. What we are discussing is the proposal of the hon. member for Edmonton East. I must say that while it is an interesting idea, I do not feel that I can agree with it.

What he has done with this proposal is suggest that the members of this House somehow give up their exclusive right to introduce bills to Parliament and have those bills foisted on the House by petition. That is what it really comes down to.

Unfortunately, while that principle in itself may not be objectionable, though I have doubts, I am prepared to concede the point that the mechanism for doing it, as has been pointed out by the hon. member for Calgary West, is fraught with difficulty. Specifically, it would exclude smaller provinces from being able to participate in the legislative scheme, as it is drawn. Also, it fails to consider the fact that members of this House are free to introduce bills and have them debated as the hon. member for Edmonton East has done with this motion today.

I think it is very helpful that we can do that.

I wish there were a little more time spent on private members' business. I think there is a need for change in the rules to allow for more time so that when private members' hour is cancelled, as it was yesterday and as it will be tomorrow, that time can be made up at another time, especially when the government benefits by reaping a bonanza of an extra hour of debate on its own legislation when that happens.

That aside, private members' business does provide an opportunity for individual members to introduce these bills and motions and have them discussed in the House. There is no reason in the world why a bill or motion cannot reflect petitions that are presented to us by our electors.

Many members have introduced bills and motions. For some statistics, on Wednesday's Order Paper there were 639 notices of motions introduced in this House during this session. similarly, in the same Order Paper there are over 300 bills of which notice has been given. There were 127 bills introduced in the course of this session which were all private members' bills, all introduced by private members for the purpose of debate and discussion in the House.

That is a sizeable number of bills, especially when you consider that very few of them come from government members. Generally, parliamentary secretaries are not introducing bills. It is done by opposition MPs or by members who are neither in cabinet nor parliamentary secretaries on the other side.

Consider the number of those excluded. I suggest that there is ample opportunity here for the public to have input very directly in the system subject to the statutory requirement that money bills must be introduced by cabinet ministers only because they require the royal recommendation.

My friend from Edmonton East has tried to get around that in a skilful wording of this rule, but I think he recognizes that the rules of the House of Commons cannot change the constitutional requirements. His rule is ineffective in so far as it would require His Excellency to advise that any bill be recommended to the House of Commons. In other words, His Excellency's recommendation is not a forgone conclusion nor could it be.

There is a British precedent, I recognize, for changes which would allow for the royal recommendation to come forward on a bill that has been approved at a certain stage in the House. As I say, there are ways we can look at changing the operation of private members' hour that would allow for more scope for private members and would allow for more time for discussion of private members' business.

The fact is that our rules, in my view, are adequate as presently constituted to allow members of the public to bring forward items they want discussed in so far as those items are legislative changes. That I think is what the hon. member is getting at.

Many of the petitions that come to this House deal with government policy on items that are not the subject of legislation and that may not be legislated for. They may object to the government's policy of appointing

somebody to a particular board or commission, and that is not something that is covered by a bill in this House. It can be changed by a bill in this House, but it would be a most unusual step to make such a change.

Similarly, the petitions may deal with bills that are already coming before the House and express opinion one way or the other, such as the GST petitions of which there were so many. I well recall day after day standing and presenting GST petitions, as did members of the New Democratic Party, all in opposition to that bill. The bill was here. It was discussed in the House, albeit for a limited time.

The fact is that petitions are not always ones that call for the introduction of new bills that have to be dealt with.

I find that when I am approached by constituents who want a new bill introduced in the House and discussed, if the bill is one that finds any favour with me at all, I am quite prepared to entertain the idea, have the bill drafted and set it down as one of my bills. I have about a dozen on the Order Paper at the moment.

The hon. member is free to do the same. With 295 members reflecting widely disparate constituencies and having widely different interests, it seems to me it is entirely possible for members of the public to find one member of this House who would be willing to introduce a bill on any given subject as a private members' bill and have it discussed in this place.

I do not think that is overly difficult.

• (1740)

Quite frankly, I think the hon. member in putting forward this motion is perhaps addressing an issue that has not been raised by the public and is not a public issue; that is that the public is somehow deprived of a right to have its grievances addressed in this House.

The weakness I perceive in our procedure, if any, and I think there is one, is that the hon. member is really trying to address the debatability or otherwise of a petition. I think what the hon. member is trying to suggest is that we need to discuss the content of a petition so that the grievance complained of in the petition is aired in this House. There are other ways of doing it. I suspect the hon. member was here earlier today and heard the discussion concerning the use of Standing Order 52, the emergency debate provision and the suggestion that was made by his colleague, the hon. member for Kamloops, and myself.

I know the parliamentary secretary, the hon. member for Peace River, agreed in large measure with what we said. It was that need to use that rule more often to allow emergency debates to take place, as we are going to do this evening, in a way, on the constitutional matter; to allow the House to deal in a timely way with issues of public importance.

There is natural reluctance on the part of the government to do that because sometimes the issue is one that is cause for embarrassment for the government. If that is the case, the government does not want a public airing or discussion of the issue because it will look bad. Therefore, we have this reluctance on one side and the enthusiasm on the other, perhaps for partisan reasons, nevertheless, because of the importance of airing the discussion or airing the grievance that has arisen in the public mind.

This House could become more relevant if more debates of that kind took place. I think the petition road is too slow. By the time the signatures are gathered on the petitions and brought in here for debate or discussion, the issue may have become moot and of no interest to the general public.

For those reasons, and while I think the hon. member is to be commended for his efforts in drafting this lengthy motion, I think it is ill advised. If it were a votable motion, I would be inclined to vote against it, and I say so with some regret because I recognize the hon. member's great work in preparing this.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to have an opportunity to take a few minutes to participate in this debate this afternoon.

I have to say I listened to the hon. member for Edmonton East with great care and as is his usual wont, he gave a very articulate, humorous and convincing argument.

When first I looked at this motion, I was a little struck by it because of my interest in procedure, and thought it was something worthy of pursuit. In spite of the hon. member's compelling arguments and his great rhetoric, having spent a little time on the motion I find it to be, I hesitate to use the word ridiculous, but certainly not one

of the more serious presentations that have come before this House of Commons.

I want to spend just a few minutes tonight talking about why I think this kind of motion would be a terrible disaster for us to exercise.

If we look at the beginning of his motion, he lays out two conditions under which petitions would become active items for debate here in this House of Commons. The first is that 3 per cent of Canadians who are eligible to vote, who signed a petition and had that petition presented in this House, would trigger a debate. In the cases of expenditure, 5 per cent of Canadians would be required.

The frightening thing about that is I recently saw a poll from the United States saying that a significant group of people, many more than 3 per cent, believed that Elvis Presley was still alive. Therefore, you can imagine the situation we face in the country. I do not think it would be difficult at all to find 3 per cent of people who believe in anything in this country.

Therefore, here we would be on a regular occasion faced with a debate in the House of Commons on anything from whether Elvis Presley is really dead or alive to who knows what.

My hon. friend argues that this would be a very difficult procedure to organize because it is difficult to get people to sign petitions.

That is not the case. I have to say that I have had some very interesting experiences with petitions and it is for that reason that I do not treat them seriously at all.

When I have received petitions, I have phoned people and I have said to them: "You signed this petition on this particular issue and I want to spend a few moments talking with you about it and its implications". Often they do not remember signing the petition, or once you spend more than about three or four minutes with them, you discover that they really did not know what the implications of that particular issue were.

What we want to create here is an opportunity for that issue to come into the House of Commons and to take up three hours of debate and possibly end up being a law. That would be in an extreme circumstance and I do not want to use an extreme argument to make the case, but it is a possibility because that is what the law provides.

The other thing that I find extremely intriguing about this particular option is the hon. member says: "You may only have one of these every once in a while, a very rare circumstance". I suggest, as my hon. friend from Calgary said a little while ago, that one does not know where these things are going to go when the doors are open. For example, I find it particularly intriguing that what would happen is once you had a petition signed by 3 per cent of the population, or 5 per cent if there is an expenditure, it would be tabled in the House of Commons. It would immediately go to the Chief Electoral Officer. The Chief Electoral Officer, within three weeks, has to report to Parliament.

In three weeks, by the hon. member's own calculations, it is up to the Chief Electoral Officer to verify roughly 530,000, 3 per cent or, in the case of 5 per cent, 880,000 signatures. This is going to create an incredible bureaucracy. This would be a wonderful job creator in the Public Service because what you would need is a huge set of machinery to verify every signature to make sure it is a valid one. Then you would have to turn around and make sure that person was an eligible signer, in other words, they were eligible to vote. Then you would have to cross-reference them to make sure that they did not sign it more than once. My goodness, who knows, you may be faced with two of these petitions in the Chief Electoral Officer's office at the same time.

What do you have to do? You would have to create the employment opportunities to make sure that this happens. It is a wonderful idea for job creation, but I am certain it is not a practical idea in terms of the Canadian public's desire to make sure that government expenditures are curtailed and not increased dramatically, particularly if the public felt it was unnecessary. I think that is a very serious flaw in this particular motion that the hon. member presents to this House.

The other thing I find very fascinating is that in our tradition there is quite a distinction between government and opposition. We have this huge aisle that, for the most part, separates us. We have many traditions and many rules that all respect that distinction. Where does the hon. member wish for this debate to take place? Is it in some special kind of House time? No, it is in

government time. It is the government that has been officially and duly elected by the people of Canada to form the government which has to set aside its agenda to provide for a vote or a debate from some 3 per cent of the population. The net result of that is three hours.

Three hours of debate does not sound like much, but it is an entire morning and in some cases it is virtually a whole day. There are several days, Wednesday for example, during which there are a total of six hours of debate. With some other things intervening into it, you would have five, down maybe to four or four and a half hours with Routine Proceedings and so on.

What is the bottom line? With each signed petition which must be debated in this House of Commons, all of a sudden you start seeing that you are looking at a significant amount of government time being taken by something that has nothing to do with the government, the government that was properly elected, and certainly is not part of its agenda.

• (1750)

The other thing that I wanted to reflect on for a couple of minutes was this very novel approach to the idea of the royal prerogative. Under our traditions it is the government that maintains that prerogative. It is the government that goes to the Governor General and seeks the consent, if I can describe it that way, to spend money.

It does it in a very tight balancing act. It says it is going to spend the money here because it is raising it in taxes here and it has constantly a balance of procedures. It has the budget, the estimates, all of which are carefully thought through. We all know how many days and weeks and hours go into the presentation of a budget in this House of Commons. Every group of expenditures is thought through with the greatest of care, because the use of our financial resources that we collect from the taxpayers of Canada is taken so seriously.

Now, all of a sudden, by simply having 5 per cent of Canadians sign a petition, you suddenly have a royal recommendation that comes right out of the blue and is not part of any question of taxation. It is an obligation. I want to read this particular section, it is in proposed 36.4(2):

> —the Minister who is a Member of Parliament designated for this purpose by the Ministry shall seek the recommendation of the Governor General for the Bill or Motion, and thereafter that Minister shall be deemed to be the sponsor of the Bill or mover of the Motion in the House, and shall be responsible for securing a seconder.

The minister does not take into account the question of raising the revenues. There is no responsibility in terms of budgetary balance. It is simply a minister now being instructed to waltz down and get a royal recommendation.

Today we face a deficit problem in this country in which every dollar we are looking to spend on individual programs is a dollar that has to be sought carefully, balanced carefully. All of those considerations have to be taken into account and the net result of this is that we could somehow circumvent all of that.

The other thing I find extremely intriguing is a whole new concept again. We know on our orders, the way they are now, if a bill is not completed by the time of the ending of a session, it dies. This one wants to say it can carry over. It is not a practical solution. It is not a practical idea.

I understand the member's interest in participatory democracy, if I can call it that, but the reality is that this is cumbersome, bureaucratic, expensive and I think totally subverts the whole process that we have in this country of looking after our own expenditures.

[*Translation*]

Madam Deputy Speaker: Resuming debate. Since no more members wish to speak, the time for consideration of private members' business has now expired.

[*English*]

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

SUSPENSION OF SITTING

Madam Deputy Speaker: The House will now suspend until six o'clock p.m.

The sitting of the House was suspended at 5.54 p.m.

SITTING RESUMED

The House resumed at 6 p.m.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

FISHERIES

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, I rise to address this evening the disastrous fishing season in Newfoundland last year that focused attention on the five years of plunder of Grand Banks fish stocks by foreign fleets operating outside the 200-mile economic zone. While Newfoundland trawlers remained alongside, European boats stole over $100 million worth of our groundfish.

The government has been telling the fishing community that nothing could be done about this plundering. That is what it is; it is plundering the nose and tail of the bank because international law has fixed the limit at 200 miles. Nothing can be done about it, it says, until there is an international agreement that extends the adjacent coastal state's fishing zone to the edge of the Continental Shelf.

This opinion in my mind reveals a fundamental lack of understanding of how international fisheries and marine law has developed. I have had 20 years experience in marine and international law and I can say that it differs fundamentally from internal state law in that the unilateral action I am suggesting tonight is recognized as a legitimate means by which law can develop.

I want to give three instances. The first one was the 1948 Truman proclamation whereby the United States laid claim to the sub-sea mineral resources off its continental shelf. In 1970 there was a series of unilateral declarations whereby Iceland extended its fisheries jurisdiction out to 200 miles at a time when the territorial sea was 12 miles.

In the case of Iceland, the International Court of Justice in 1974 recognized the acceptance of preferential rights especially for this coastal state in a situation of "dependency upon coastal fisheries for its livelihood". The situation of Iceland appeared as one of exceptional dependence on its fishery resources.

Then again there is the Canadian precedent in 1977 when Canada decided to take unilateral action—we took it in 1977—to create a 200-mile economic zone of jurisdiction. It is ironic that the need for this action was intensified by the threats of overfishing by Spain and Portugal.

This is not to say, even using those three examples, that all unilateral action is valid in international law. If a state initiates action that is ludicrous and selfish, then it is going to be referred to as piracy and the state will not be able to stand on their ground.

To be legitimate, a unilateral state action must be grounded in an administrative scheme that is in accordance with international law. I submit the three precedents I gave indicate where dependence on the resource is a very relevant issue. It has to be fair.

Another important thing is that the unilateral declaration is not enough unless it is backed up by state enforcement. In other words, the coastal state must assert its sovereignty and be able to do so over the waters in question. I suggest we need to beef up the means to be able to detect, identify, recognize, search, seize, arrest, try and prosecute transgressors.

If the political will is present, Canada can legally under international law unilaterally extend our fishing limit to the edge of the Continental Shelf. Of course any such move has to be accompanied by a global campaign to explain the reason for such action which given the devastating effect of the rampant overfishing outside our 200-mile limit, should not be too difficult.

I will be persistent in promoting this idea until the government gets off its asymmetrical and ineffective approach to overfishing and puts words, thoughts and ideas into serious action.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, I must confess to the hon. member opposite that I was expecting him to be discussing the question that he had put in this House on October 22. At least that was what I was prepared for. None of what he mentioned today was mentioned in his question or in the preamble of the question of that day. The central part of his question that day was on job creation and that is what I prepared.

I want to make sure the hon. member understands and ensures his constituents that this overfishing has been of major concern to the Government of Canada. Ambassador Gherson has been working with the European community and various parts of the North Atlantic Fisheries Council. At NAFO we have been working very hard on that.

As well, last month the minister made a major address in London dealing with the very problems that the hon. member is drawing to our attention. He said that unless they start to follow the rules and the suggested limits put down, that unless all members participate, Canada would be forced to try to endeavour to take unilateral action such as the member opposite has outlined.

However, I think the negotiating table must be tried first to make sure we have a reply before we attempt to do what the hon. member opposite is suggesting. I thank him again for bringing this matter to our attention.

FISHERIES

Mr. David D. Stupich (Nanaimo—Cowichan): Madam Speaker, the fisheries industry on the west coast also has problems.

If it were not for changes in the UI legislation which meant that the workers had to put in a full 680 hours to qualify for UI as used to be the case, then there would not be that problem.

It is quite conceivable that the workers in the fishing industry in B.C. could put in a total of 680 hours at a 40-hour week. That is 17 weeks. Often they have to work around the clock if the fish are coming in fast. If the rules were changed so that they got credit for UI on the basis of the number of hours worked, I would not be here today presenting this problem.

In 1990 there was a program that helped them, the Emergency Response Program. It provided employment. More than that, it provided for projects that were beneficial to the industry and to the communities. It helped British Columbia. It helped the people by giving them enough stamps so they qualified for UI.

That program was supported by the fisheries committee this year as something that should be renewed. It was supported by the labour committee where a resolution was passed urging the government to act. In response to questions ministers indicated support for it, but so far the program has not been delivered.

What I am asking is that the government reconsider its position and bring this program in again. Not only does it provide employment for the people who need a little more time to get their UI, but as I say it brought into effect beneficial projects in communities. It helped the industry by developing stream clearing projects. It was something that helped preserve a billion dollar industry that is important to British Columbia and to Canada.

I urge the government to respond positively, to take another look at its decision not to support it this year, and to bring it into effect for this season.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, again I want to acknowledge the hon. member opposite and his dedication to bringing this matter to the attention of the House at this time.

He will recall when members of the fishing industry were down here and asking for us to have a similar program, they likened it to what was happening on the east coast. The Emergency Response Program was what they were alluding to. They felt they should have something similar for British Columbia.

• (1810)

However, we had to point out to them at that time that their circumstances were entirely different from what was happening on the east coast. The east coast had been hampered by ice conditions under which they could not get their gear into the water and then very low catches later on in the summer. Some areas had less than 50 per cent of the previous year's catch.

Within British Columbia the fisheries experienced a period of structural changes. That is what is happening in British Columbia. We are challenged to deal with the technological changes that are taking place in the fisheries. The stocks are certainly on the average of what they have been over the last four or five years; there has certainly not been a shortage of fish.

It is just with the gear changes that have taken place and the number of people who are fishing, they can do it in a much shorter time frame. We have people, as the hon. member has pointed out, who are working very long hours in the fishing plants, almost round the clock and yet only being credited with a single day's work. Whether or not this is the right way to go is something that has to

be seriously considered and has been looked at as well. I thank the hon. member for again winging this matter to our attention.

EAST TIMOR

Mrs. Beryl Gaffney (Nepean): Madam Speaker, I am delighted again to stand in the House today regarding a question I put late in 1991 on East Timor. It is not the first time that I have made serious attempts in this House to get an answer to questions regarding the tragic situation as it is in East Timor today.

At that time the Secretary of State for External Affairs had recently announced the suspension of $30 million in aid to Indonesia because of the November 12 massacre at Dili. In addition, all other aid projects were subject to review. The suspended aid is said to comprise new projects which will be put on hold until the minister decides otherwise.

I could be cynical and suggest that the minister will wait until the media goes away before deciding to resume business as usual with Indonesia. We are still waiting for specific details surrounding the suspended aid and what process it must go through before it is either reinstated or cut permanently.

However we do know that the three projects which have been suspended include: (1) a program to train water resource engineers, (2) a program to promote private sector linkages between Canada and Indonesia and (3) a program aimed at helping the Indonesian government modernize its bureaucracy. Although these are hardly the kinds of programs which will rock the Indonesian government to its core, it is encouraging to see that it is not the grassroots kind of aid which goes directly to helping people who are innocent of their government's activities.

The real issue to which I want a response is this: When will this government finally support United Nations Security Council resolutions 384 and 389 which call for the withdrawal of Indonesian troops from East Timor? It is a simple question, yet the government has consistently refused to answer it every time my colleagues or I raise it in this House. There should be no question as to how Canada should be dealing with this situation.

The best word to describe the situation which the people of East Timor have endured since the 1975 invasion and subsequent occupation by Indonesia is holocaust. Up to one-third of the population of East Timor, 200,000 people, have been killed in battle, in concentration camps, or through famine and disease. Yet the Canadian government has ignored the carnage and has ignored the actions of the vast majority of nations in the international community which have outright condemned the actions of Indonesia.

The United Nations has passed resolution after resolution calling for Indonesia to withdraw and for the right of the East Timorese to self-determination, and what has Canada done? It has voted against UN resolutions calling for self-determination. It has lobbied to have the issue removed from the UN agenda. This is unfathomable to me. It is unbelievable. It is an international embarrassment to the Canadian people who are decent and caring and want Canada to help put an end to such slaughter.

Instead of doing what is right, this government has continued to build bigger and bigger trade links with Indonesia to the point that it is now petrified of jeopardizing the precious balance of trade. If the government would listen to the Canadian people, it would know that they do not want the blood of the East Timorese on their conscience.

We have a moral responsibility to end this bloodshed. I would hate to think that the Caanadian government is ignoring the plight of the East Timorese because there is no economic advantage to do otherwise.

The Secretary of State for External Affairs said earlier today that she was pleased that the UN was considering sending an investigative unit to examine the situation in East Timor.

Will she go the extra distance and instruct or advise the Canadian delegation to the UN Human Rights Commission in Geneva to push for Indonesian withdrawal from East Timor?

I ask this on behalf of the East Timorese, on behalf of all caring, thinking Canadians, on behalf of people in other countries who might be helped if this government would stop being hypocritical and inconsistent and live up to its rhetoric on human rights.

Will the minister finally give assurances to the House that Canada will immediately support UN Security Council resolutions 384 and 389 which call for the removal of Indonesian troops?

Thank you very much, Madam Speaker. You have been very patient.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, in reply to the member from Nepean on the various questions, I would like to assure the hon. member that the Canadian government has taken action with regard to Indonesia.

I can say that the Secretary of State for External Affairs conveyed Canada's dismay of the shootings during meetings with the Indonesian Foreign Minister in Seoul on November 13, 1991 a few hours after the news of the killing of the East Timorese had come to light.

Canadian concerns were also expressed to the Indonesian authorities by the Canadian ambassador in Djakarta and to the Indonesian ambassador in Canada. These Canadian concerns were also raised during the session of the third committee of the current United Nations General Assembly.

On December 9, 1991, the Secretary of State for External Affairs announced:

1. Canada has suspended the approval of new development projects for Indonesia in the order of $30 million.

2. Canada has decided to give an immediate grant of $150,000 to the International Committee of the Red Cross for humanitarian assistance in East Timor.

3. Canada will take into account the results of the Indonesian commission of inquiry set up to investigate the shootings and the action of the Indonesian government in the context of the current broader aid review.

Canada is encouraged by the interim report of the Indonesian commission of inquiry and the response of the Indonesian government in taking prompt action on a number of the recommendations in the report.

Canada does, however, have serious concerns about the human rights situation in Indonesia and will continue to watch the developments in this area very closely in consultation with like-minded countries in the context of the United Nations.

Canada welcomes the visit of Foreign Minister Alatas in February which will provide an opportunity for further discussions on the human rights situation and the Canadian Development Assistance Program in Indonesia.

RAIL FREIGHT SERVICE

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I welcome the opportunity today to return to a question that I raised in this House on November 18 of last year concerning a decision by CN Rail to sell its railway line from Truro to Sydney, Nova Scotia.

At that time, I urged the government, specifically the Minister of Transport, to intervene to block this sale which was causing great uncertainty to all of the major customers and major industrial users all along the line from Truro to Sydney, Nova Scotia.

Unfortunately so far the government has taken no action. Today the Senate committee on transportation and communications has begun three days of public hearings on this issue, which is of vital concern to the economy and to the people of eastern Nova Scotia.

The Senate committee will hear from some of the main customers located along this railway line, customers which together employ some 7,000 people and which constitute the core of the industrial base of the 250 miles of railway line.

The committee will hear from Mr. Tom Hall, the president and general manager of Stora Forest Industries in Point Tupper, which is the largest user of the line on which more than 2,000 people depend in the pulp mill and in the woodlands operation.

The committee will also hear from Sydney Steel Corporation and the Cape Breton Development Corporation, both of which are major users of the line and are pillars of the industrial Cape Breton economy. The committee will also hear from Scott Paper Company of Abercrombie in Pictou county which is another major user of this line.

• (1820)

I do not pretend to anticipate what these witnesses will say in their presentations, but I do know from extensive conversations with senior management at Stora Forest Industries that they are very concerned and that their

continued operation depends vitally on a secure rail line service to their plant and that the decision by CN has created great uncertainty, not only to the continued operation of the plant but to further expansion which is vital to the future of the area.

Let me quote one of the witnesses who appeared before this committee today, the minister of transportation and communications of Nova Scotia, the Hon. Ken Stretch, who came up from Halifax to make his point before the committee. The minister of transportation says, and I will simplify the presentation which is an excellent one: "The province of Nova Scotia insists that rail service to Sydney must be maintained. The only way to guarantee that is if the federal government meets its constitutional responsibility to maintain essential rail service. We have some very specific concerns about the viability of a short line operation on this line, which is what CN is proposing to replace this line with".

The decision by CN has caused great concern to all residents and all industrial users in eastern Nova Scotia. In fact, our concern is one of disbelief that CN would actually propose at this time to sell this vital piece of infrastructure and that this government would refuse to exercise its mandate to intervene and prevent this vital piece of infrastructure from being sold off.

To conclude, while the government may try to avoid its responsibility in this matter, it cannot. The land on which the rail line is located is owned by the Government of Canada and it will have to give its approval at some point through an Order in Council if that sale is to go through. Therefore, why not intervene, prevent the sale now and assure the future of this economy.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Madam Speaker, the government believes that CN must be a fiscally responsible manager in order to remain competitive and ensure financial viability in the transportation marketplace. In this light the Sydney–Truro line has been examined and it has been found that while the line continues to be profitable it is still a light density route.

CN feels that a short line operator can maintain and in all probability enhance the traffic it is currently carrying. CN is not diminishing the importance of the line with this proposal. Indeed, CN recognizes that the continued operation of the line is important precisely because it provides traffic for the main line between Halifax and central Canada.

The more traffic volume that can be generated on the core network, the lower the operating cost. This in turn allows the railway to be more competitive for additional traffic. It is very important to CN that the short line operator selected be one that will continue rail service for existing and hopefully, new customers.

The section process that CN will subject all bidders to has this objective in mind. CN is committed to ensuring that there is the necessary financial capability to undertake the acquisition and operation of the line.

In the hon. member's question of last November, he referred to the confidential nature of the process. The specific content of each bid must be treated confidentially in order to protect the integrity of a competitive bid process. This is standard practice.

CN has been open about the steps in the selection of a buyer and also about the criteria that will be used in each step.

The short line concept offers benefits for shippers and receivers. It is encouraging that the potential of a short line operation for the Truro–Sydney line has drawn a promising level of response. It is an expression of faith in this exciting railway concept and in the promise of Cape Breton.

CANADA POST

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, last October 25 I rose in this House to speak of the issue of unfair and unjust salary increases given to presidents and high-ranking officials of Crown corporations and government agencies. At that time I spoke of the $131,250 salary increase given to the president of Canada Post. That was the salary increase on top of the salary that the individual was already receiving.

You could argue that government has the discretion to give whatever salary increase it wishes to this individual. I do not claim that that is so, but even if it were so, it would be unfair if that benefit were accorded to one individual when everyone else's salary has been frozen. That is in fact what happened.

If that is not bad enough, I want to bring to your attention, as I did at that time, the case of a 65-year old widow in my riding who was a rural mail contractor. Her name is Huguette Perrier, 65 years old, a widow who delivered the mail on the rural route. She was unceremoniously dumped by Canada Post after she and her husband—she took over the mail run when her husband died—had been delivering the mail in the community of Dalkeith for a period of 25 years. Do you know why she was dumped, Madam Speaker? Because Canada Post gave the contract to someone else for $1,500 less.

To save $1,500 this person was fired. This person has no job. At the same time, within months, this government was giving a $131,000 increase to the president of Canada Post who already makes a quarter of a million dollars a year in salary. The justification given for all of that by Canada Post boggles the mind.

I have letters here that were written to me by various individuals. I wrote to the minister about this, but of course the minister did not reply other than telling me that he had referred the letter to Canada Post, failing to recognize that under the Financial Administration Act he has the authority to direct the Crown corporation, as the minister does under that act, and as my colleagues all know.

Canada Post says in its letters the following: "I am sure that you will appreciate that Canada Post must operate in a fiscally responsible manner when selecting suppliers and contractors". No one is against motherhood but the facts are different. There is nothing fiscally irresponsible about keeping an employee that has been with you for 25 years when the employee is not even asking for a salary increase. That is just sound, humane management.

Anyone in the private sector who is trying to do what Canada Post is doing would be severely criticized on the floor of the House of Commons if we found out about it. But this is a Crown corporation doing, not what a Crown corporation and agency of the government should be doing, but worse than what any one of us would tolerate from the private sector. That is what is so bad about this.

In closing, I do not object to the fact that when someone has a rural mail contract and the person is asking for an increase, it should be subject to tender in order to get that increase. But when someone wants to merely keep their job at the existing price and they are tendered out and lose their job, well then something is hopelessly wrong.

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Madam Speaker, I listened very carefully to what was said by the hon. member for Glengarry—Prescott—Russell, and I was surprised he was critical of the salary paid the director general of Canada Post, especially when we realize that from the deficit-ridden corporation it was in 1984, costing taxpayers hundreds of millions of dollars, Canada Post has now become a profitable Crown corporation. It takes competent people to do that sort of thing. The current president, Madam Speaker, may not be perfect, but when we came to power in 1984, he was given a mandate to make the Canada Post Corporation a going concern. He fulfilled that mandate, and he did so remarkably well.

• (1830)

Remember, Madam Speaker, when Canada Post was the laughing stock of this country? Postal services were a joke. Everybody was saying that besides paying for the stamps, they had to go to the competition to make sure the mail would be delivered on time.

Madam Speaker, when we appoint people to boards of directors, when we appoint directors to turn a situation around that was bad for the taxpayers and bad in terms of the services offered by Canada Post, we assume these people will have to make decisions that will not always please the customer, considering why they were appointed in the first place.

In this respect, Madam Speaker, if we consider Mr. Landers' salary, it appears to be on a level with remuneration for the same type of work in the private sector. We are not ahead of the private sector in this respect. We are taking its lead. What Canada Post is being asked to do is exactly what other corporations are being asked to do, which is to make a profit. This has been achieved, and we owe Mr. Landers and his team a vote of thanks, and we hope they keep up the good work, for the benefit of Canadians and Quebecers.

SPECIAL DEBATE

[*Translation*]

Madam Deputy Speaker: Pursuant to order adopted on Wednesday, February 5, 1992, the House will continue its proceedings on the adjournment motion, for the sole purpose of allowing members to make presentations on the results of discussions they have had with their constituents on the constitutional issue.

The hon. member for Peterborough has the floor.

[*English*]

Mr. Bill Domm (Peterborough): Madam Speaker, I am pleased to participate in these discussions in order that we can communicate to the House of Commons and record in *Hansard* some of the comments that have been made to us as members of Parliament about the proposed changes to the Constitution and the process which has been implemented to try to make them.

What comes out loud and clear in the letters I have received is that Canada is a relative youngster compared to the nations of Europe. We are celebrating 125 years of nationhood this year, while England, France, Italy, and Greece can measure their ages in thousands of years.

Yet, despite our short history and a small population, Canada and Canadians have achieved much together and have built much of which all of us can be justifiably proud. Canadian men and women have built a society considered to be one of the fairest and freest in the world. Believe it or not, though we are young we are also one of the oldest functioning democracies in the world. We are the eighth largest economy in the world today, and that economic strength has enabled us to develop some of the most advanced social programs of any nation. Indeed, Canada's medicare system is still studied by other countries, including the United States.

Outside of our own country we are considered to be one of the greatest countries in the world, not in terms of our military strength but in terms of who and what we are. In a recent United Nations report which surveyed 160 nations, Canada was the second most desirable country in which to live. Millions of people would do anything to move to Canada and we have long waiting lines at many of our embassies around the world. The dispossessed and people fleeing oppression see Canada as a beacon of hope in an otherwise dimly lit world.

Our society happens to be a model that other nations are keen to emulate. Our tolerance of diversity has enabled Canada to avoid the kind of racial tensions that affect other nations. We are gradually learning how to honour the contribution and special place of our aboriginal people. We are recognized and respected as Canadians, and as a country known as Canada, for the constructive role we play in world affairs. The skills and ideas of Canadians are second to none. The ingenuity of individuals has made Canada a world leader in many fields and I mention but two: transportation and telecommunications.

For example, we were the third nation in the world to put a satellite into space. I might add that Canada continues to maintain a commitment to the search for knowledge through the exploration of space. On January 22, 1992, the second Canadian went into space. Dr. Roberta Bondar from Sault Ste. Marie, Ontario, became the first Canadian woman to orbit the earth, returning eight days later following a successful mission.

Canada has once again proven its excellence in the field of scientific research. Just yesterday it was announced that a team of Canadian scientists led by Dr. Robert Korneluk of the Children's Hospital of Eastern Ontario played a central role in the recent discovery of the gene responsible for myotonic muscular dystrophy, an incurable muscle disease which strikes young adults.

In recent years Canadian scientists have been at the forefront of several major genetic discoveries, including the discovery of a defective gene that causes cystic fibrosis.

Canada's first prime minister, Sir John A. Macdonald, said: "Canada is a great country and shall become one of the greatest in the universe if we preserve it. We shall sink into adversity and insignificance if we suffer it to be broken".

Let us all take up the challenge of Sir John A. Let us all try, as a parliament in particular, to preserve a truly great country.

As a united country we have the seventh largest economy in the world. A divided country would have significantly less economic clout and leverage. Further,

as one Canada we have a place at many of the international bargaining tables. For example, Canada is a member of the G-7 economic powers. We are a member of the Council on Security and Co-operation in Europe. We are also a member of NATO and sit at the table of the World Bank.

Both foreign and domestic investors are less likely to invest in Canada if they are uncertain about its political or constitutional future.

International uncertainty also has a direct impact on interest rates, the value of our dollar, and domestic inflation.

The realities of the new global economy are these: competition is fierce and it is getting more so every day; technology and innovation are forcing everyone to adapt more quickly and more often; the new knowledge-based economy demands a higher educated and trained work force; and international capital markets react swiftly to any of these uncertainties.

Over the last few years the government has undertaken many initiatives, often very unpopular ones, to begin the process of modernizing Canada's economy and eliminating the structural barriers to future prosperity.

In the face of continuing change, more needs to be done. However, we can only undertake it by making the fundamental constitutional changes that will ensure Canada's continuing success while at the same time reflecting our national aspirations. The ultimate proposals will not be acceptable unless they provide the means for the federal government to maintain certain national standards in the interests of all Canadians. For example, health care must be accessible to all Canadians and pensions should be portable across the country.

Finally, Parliament and the federal government are the only political institutions in this country that represent all of Canada. Therefore, the federal government must and will play a vigorous role in articulating and defending the vital Canadian interests. We will not be a referee between competing regions or interests in the process.

Within the framework of a strong and united Canada there is a lot of room for constitutional modification. Even with constitutional change we must and will remain a strong and united Canada.

• (1840)

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, I am pleased to take advantage of this opportunity tonight to spend a bit of time to reflect on some of the comments that my constituents have had to say about the current debate in Canada about national unity and about our country.

I am pleased to take advantage of this time to talk about two specific initiatives that I have been doing in my own riding, in fact, one particular initiative on this issue which we announced today.

First of all, I think some congratulations are in order for the two House leaders who have arranged for this debate. Obviously, there will be a great deal more debate likely in March when the joint parliamentary committee releases its report and there should be other occasions for this kind of debate.

It is important that all of us from all our different perspectives have the opportunity to report on what we are hearing from our constituents and of course to enumerate and talk about what we see as to how this debate is shaping up.

It is important that all members share with others what they been hearing during this intense and sometimes confusing debate about the future of our country. My constituents are probably like many others. They find in many cases that the debate has gone on much too long.

Perhaps it is time to move quickly to make a decision about Canada, about the nature of our Confederation and of course, to get on to deal with some of the many important economic issues that we have in the country now. In particular, I am thinking of employment in my part of British Columbia, in the Prince George region, about trade, and other issues like those.

They are cognizant of the need obviously to come to grips with the whole constitutional debate and see just what direction Parliament and Canada is going in. In my travels through my riding basically in the last six months or so, I have heard comments from people about the need for a united Canada, a debate about the role of Quebec, a vigorous debate that many of my colleagues from Quebec would expect from western Canada, but a very positive debate as well.

I do not think members from Quebec should necessarily think that everything they see in the news necessarily reflects all the views of people from western Canada. I suppose most are trying to find a way to make Canada a better place and I, for one, think it is a better place with Quebec in Confederation.

We have debated and in my various community meetings we have talked about the Senate. We really need the Senate. Can it really reflect the regions as it is supposed to do? I find interesting just as a side-note that many of those who are promoting the Senate, having an elected Senate, the so-called Triple-E Senate, are often the same people who want to cut government programs. Yet here we are trying to create a whole new level of government.

My own party, as you know, has long been a supporter of the position to abolish the Senate, that we do not need it. That policy of course, in light of the debate today has taken on a new approach and a new look. We are not hard and fast. I do not know if anybody can be that way these days, to see what kind of suggestions Canadians have about what the Senate should be and do.

My constituents are also particularly interested and concerned about seeing a resolution as quickly as possible on the whole question of aboriginal self-government. I think that is an important and a critical issue and one that I hope will be dealt with. It must be dealt with in this so-called round, this Canada round.

We have all been doing our part. All members of Parliament in a manner of ways have been adding to this debate from their own particular points of view. I have held my own community meetings. People have come to those meetings to discuss what is going on with the constitutional debate.

I was even pleased, some say brave, to have the hon. member for Chambly come to a public meeting in Prince George to discuss from his perspective the role of Quebec in Confederation. We had a good discussion with that member and I was quite pleased that he was able to come and discuss his vision of Canada.

I am also pleased to get the information out to people. One of the things that I found really frightening after the collapse of the Meech Lake accord was really how little information there was around about our country's own Constitution. While the government could spend some $14 million advertising the goods and services tax, you had to look pretty far to find out exactly what the Constitution of the country was all about.

That effort has been made this time around. The lesson was obviously learned. More information has to be sent out to Canadians about the constitutional debate. I have made an effort in my area for anyone who is interested. I welcome anyone who is watching tonight who might be interested to write to me.

My office sends out monthly a detailed package of comments from all points of view on the whole debate. Not just comments from the New Democratic Party leader, the hon. member for Yukon, but also speeches from the Minister Responsible for Constitutional Affairs, columns and debates from people representing a sovereignist point of view in Quebec so that, at the very least, people in my area will have the information to make a valued judgment about this particular debate.

In fact the results are showing by the very articulate and thoughtful letters I have been receiving from people who have been reading through this information. Some very excellent comments have been made on the Senate, on referenda and it is adding to the debate.

I encourage other members where they can to do that. There is no harm in spreading information about what all of us are saying. Of course, I welcome anybody who is watching to write to me. I would be pleased to put them on that particular list.

The other initiative I mentioned at the start of my comments is that we have made an announcement today in my riding for Prince George—Bulkley Valley. I have asked students at the college in Prince George, the college at New Caledonia to volunteer to put together a constitutional forum.

They will be breaking into teams to represent and present the pros and cons and the different arguments around the government's proposals. This will not be just a sell job for the government's proposals. We want to hear what people's opinions are on all sides of the debate, of the different components of this particular package and indeed, some of the components that are not mentioned.

We have scheduled the forum for February 29, a Saturday. It will go all day and it is open to the public to hear the debate from students and to participate as well. I will be ensuring that a record of all the discussions and comments is made and that it will be passed on to the Prime Minister, the premiers and all members of this House and the Senate.

It is important that we have a user-friendly approach to this debate so that people do have an opportunity to have their input.

Of course, the timing will probably be good. The report from the joint committee will be out the day before. There will be plenty to talk about. Of course, this whole debate about our Constitution does not just end on February 28. Nor does it end on Canada Day, nor I hope does it end in October of this year. Obviously, the debate about our country and the Constitution of Canada will probably go on forever.

If there is any one message we have to get across to all Canadians it is that the debate about our country is not just a debate about words on paper. It has to be a debate about what Canada means and what we have to do is to frame that debate so that all Canadians can feel they can participate.

Again, I want to congratulate all members of the House for having organized this debate. It will be an important one. I will be listening and watching carefully.

• (1850)

Mr. Lee Clark (Brandon—Souris): Madam Speaker, thank you for the opportunity to discuss what is probably the most important issue facing Canada today. Even as I say that, I am extremely conscious of the fact that both our economic difficulties and the constitutional issue must be given an equal amount of attention during the course of the next few months.

In many ways, as I will refer to later in my comments, those two issues are very closely intertwined. It goes without saying that those we would like to attract to our country to provide us with investment dollars, those we would like to join with us in trading relationships want to know before they do so what is to be the future of Canada.

The issue which is before us is very difficult, very complicated and very emotional. I think the fact that it is so emotional makes it even more difficult.

By way of a preview, I would like this evening to try to articulate to the House some of the comments which I have received from constituents in conversations, correspondence and telephone calls, as a result of meetings which I have had in high schools within my constituency, as a result of conversations on the street, in my office, and as a result of public meetings in certain towns.

With reference to the latter, one of the most notable and I think most productive events with which I have been associated for a period of time was a visit to Hartney, which is in the heart of my constituency by the Hon. Jean Charest, Minister of the Environment. He came at the invitation of the community on an evening when it was approximately 30 degrees below zero. He spoke to some 250 people that evening and in my opinion he was exceedingly well received. There was a good opportunity for questions, for answers and for an exchange of views. It is the type of visit which should occur more frequently in the future.

It is important for members to come to us from the province of Quebec and it is important for members from western Canada to go to the province of Quebec if we are to achieve the kind of understanding which we are seeking.

Almost without exception the people whom I speak to in my constituency want Canada to remain united. They say that first and foremost and sometimes with varying degrees of emotion. They are proud of Canada and they know that they have had very significant privileges in terms of living in Canada. They want that Canada to continue to exist.

However, having said that, many of my constituents then express some frustration, frustration with the fact that first of all many of them do not understand why there is such a debate today. I suppose they feel that way in part because they like what they see in Canada and they assume that others should feel the same way. I think that is particularly true of those who were not born here but who have migrated here.

Second, many of them are frustrated with the fact that this debate in which we are now participating seems to have been occurring over and over again throughout recent memory. They are frustrated with our inability to resolve that debate. Quite frankly, many of them are impatient with the process, and as the previous speaker

has just said, they are exceedingly anxious that we reach a solution to our problems.

Some concerns are more specific than that. Some have a great deal of difficulty, Madam Speaker, as I think you would understand, with some of the language we have used during the course of the debate. If I were able to go back and choose our words differently than we have done in the past, I would wish that we could find two different words other than the words "distinct society", because those two words in particular have caused in my mind a considerable amount of misunderstanding throughout the land. I think in part that this is so because the word "distinct" in my mind in English means something different than it does in French.

To me, the word "distinct" implies difference. I have no difficulty as a Canadian and certainly as an historian in proving to my satisfaction and I hope often to others that there are very significant differences that have been a part of our history, differences which continue today. I think, for example, of the differences which exist with the Civil Code in the province of Quebec as established by the Quebec Act of 1774; I think of the differences in land forms as with seigneurialism as established in 1774, I think of the rights given to the French language in the courts and in the legislature as subsequently developed after 1791. In my mind, these differences which exist are a product of our history.

But perhaps to our shame many Canadians do not know our history, and certainly the history of all of our regions as well as I would wish that they do. Part of the difficulty we have when we come to the debate is, as many of my constituents say, "I want to keep Canada together, I want it to remain as it has been in the past, but I am exceedingly anxious that it be a Canada in which all are treated equitably and equally".

One of the difficulties with the proposals which we have before us is that they raise in some people's minds a suspicion that the Canada that would emerge would not be one which treats all equally and equitably. I think that is perhaps the most difficult task that is before us now. If I could find one magic solution which would help with the level of understanding which exists in my constituency, it would be the ability to demonstrate to all that the proposals we have before us are designed to recognize and to reaffirm certain differences which have existed in the past, but that they do not propose to give special advantages to anyone in the future.

I have constituents who are concerned with respect to the debate between what they perceive to be collective rights and individual rights as protected under the charter. I have constituents who are concerned about the proposal for self-government for aboriginals because they do not understand exactly what we propose when we say that.

But it seems to me the lesson that comes through in all of this is that our task in 1992 and perhaps in 1993, or whenever this debate should end, is to listen more carefully to others than we have been doing in the past. We live in a very busy world. Canada exists in many ways in spite of its geography rather than because of it. There is an immense barrier created by distance within our land. One of the sadnesses of that is the fact that it is very difficult for many of us living in our regions to know those who live in other regions very well.

The task before us in 1992, and I hope as a by-product of this debate and the ensuing debates and discussions that will take place during the course of the summer, is that we will seize upon the opportunity whenever it arises to listen carefully so that we can understand exactly what others are saying. Unfortunately this lack of understanding has troubled us immensely. In my part of the world people ask and continue to ask that often repeated question which I know the residents of Quebec no longer want to hear. What does Quebec want?

When I have had occasion to visit the province of Quebec and to speak with residents, they say in return: "Exactly what is the opinion in the west that makes some people there feel as they do toward us?"

Sometimes I feel that we simply have failed to learn to know each other very well. We have failed to learn to understand each other. What is required is that people in different regions should sit down and listen as carefully as they can to what is being said. For example, after the right hon. Joe Clark spoke at a meeting in Brandon, a constituent came to me and said, with some sadness in his voice, that it was a wonderful speech, he thought he understood the proposals much better than he had before, but he said: "I do not think we can give Parizeau and the Parti Québecois what they want; I do not think we can give the separatists what they want".

In return, I said to him that I thought that was a very important statement on his part because it demonstrated that there was still a lack of understanding in the sense that we are not trying to give the separatists what they want. Because, Madam Speaker, I think you would agree that there are some in each of our regions who are not anxious to find a solution. They are not anxious that we should find a consensus upon which we can build.

• (1900)

Our task is to find some sort of middle ground. That is what these proposals are all about. I think it is what my constituents would want us to do and what they believe we can do, find the middle ground so that we can build in the future the same way we built in the past. Then we could have a united Canada of which we are all proud and where people are able to grow and enjoy the benefits while, at the same time being satisfied that the needs of a broad majority of Canadians are being met.

Our task is to listen more carefully during the next few months than we have ever done before. I am convinced if we can do that we can resolve our differences and can ensure that our children and our grandchildren have the opportunities to live in the same united Canada that many of us, regretfully perhaps, have all too often taken for granted.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, thank you for the opportunity to discuss at some length the constitutional issues that face this country.

On November 7 the special joint committee on a renewed Canada was scheduled to hold hearings in Thunder Bay. Unfortunately, on July 6 the committee was recalled to Ottawa where they restructured themselves. As a result, the riding I represent, Thunder Bay—Nipigon, was not given the opportunity to make its representations to the special joint committee. We had already established some groups that were interested in making those submissions. As a result, on December 9 we undertook in our riding to hold those hearings. They were held on that particular day through the courtesy and through the help of the Thunder Bay Multicultural Association which kindly donated its hall. We had 31 individuals and groups who presented their thoughts on the future of this Canada of ours. We had people who were able to translate into French, Ukrainian, Polish, Finnish, Russian, Italian and Portuguese; all provided these services voluntarily.

At the hearings that day the people who were involved in making the presentations developed a synthesis or a summary of what we heard during those 13 hours of hearings and I would like to present those findings to the House. I think I can summarize and break it down into four areas.

We talked at some length, as you would guess, about the distinct society, the linguistic issues that face us in this country, multiculturalism and a general catch-all of other issues that some people were concerned about. Let me start out by giving you the consensus and a summary of the briefs that we heard that day. First, *Shaping Canada's Future Together*, the document from which all the groups worked, the consensus was that the document itself added confusion to the debate. Terms that were used in that document were not defined properly. The document was complicated and if most Canadians are to understand it, it should be simplified and out of that came the consensus that there were too many demands for community rights and the Constitution should give greater emphasis to individual rights.

There was also a consensus that the present government has no mandate for Canadians to change the Constitution unilaterally and therefore a national referendum is mandatory before any change is made to the present Constitution. We then went to the linguistic duality issue, bilingualism in Canada. In 31 presentations there were those who thought that Canada should have only one language and those who supported to the fullest extent the official bilingualism policy of our country.

If there was one consensus, particularly from students, it was that all Canadians should learn more than one language but it should not be a forced situation. It is well known that the vast majority of Canadians want a review, not only of bilingualism but of the applications of bilingualism.

I thought these were very interesting comments with respect to the distinct society. We come from the centre of Canada where the east ends and the west begins. The consensus we heard is that Quebec is already distinct because of its language, culture and civil code. These

areas should always be retained. Any additional powers must be given to all provinces.

My friend John Wreszchak of the Polish Society of Thunder Bay made an interesting comment. He said: "Canada has blossomed because Quebec is distinct. Quebec has something we should all be jealous of".

The students of St. Ignatius High School said: "Canada will not survive without Quebec. Quebec needs to preserve its right to be different".

The students of Hillcrest High School said: "We feel that giving Quebec control over their cultural rights is a good idea, but further special powers are unacceptable".

Sam Frederico, president of the Italian Society of Thunder Bay, said: "We are all distinct societies. We all have our birthright, customs, religion, language, which are the makeup of our various cultures and heritage. This is the miracle we call Canada".

Those were some general comments on the distinct society clause.

Quebec's distinctiveness should be recognized. The citizens of Quebec are different because of their language, customs and heritage. They have the right to these customs. If they feel insecure and want these rights enshrined in the Constitution, there should be no doubt that they should be enshrined.

Those are interesting comments from the people in the centre of Canada about the distinct society clause we have heard so much about.

There was an interesting consensus with respect to multiculturalism. More than one-third of Canada's population today is a direct result of people who chose Canada as their home and have become Canadian citizens. Many have retained their culture and their heritage, but first and foremost they are all Canadians and immensely proud to be Canadians. Canada is now their homeland. Everything else is secondary.

One comment was: "Immigrants must make the culture of their homeland secondary and multiculturalism should not be enshrined. We grew up in a multinational country and all it created was jealousy and racism. People came here not to stay what they were. They came to Canada to become Canadians".

The students of Hillcrest High School said: "We feel that multiculturalism must take place within the framework of being Canadian. The country would be more united if we were all Canadian first, followed by our nationality of descent. Different cultures should have the right to retain their customs but they should be Canadian first".

John Wreszckak said: "Canada is a family. The parents should treat all members of the family equally for the family to thrive. If one child is favoured the family becomes dysfunctional and it turns against itself".

Glen Bagdon, a member of the Lithuanian community said: "Coming to Canada was a test of one's faith. We hoped for better days and hoped one day we would become Canadian. We kept our customs but we were Canadian first". They go on and on.

Rita Ubriaco, another participant, said: "We all have various cultures but in Canada, as in many other countries, we have the British tradition—parliamentary democracy and the rule of law—and that is why we came to Canada".

There were other constitutional issues discussed concerning other rights. We heard that property rights should be enshrined in the Constitution.

• (1910)

Many of our citizens, especially our seniors, who made representations that day said that the health care system is in jeopardy and the separation of a province from Canada would further jeopardize the delivery of our health care system. They said that the Senate is not effective in its present form, yet not enough information is available for its restructuring. Free trade should be implemented between all provinces. Elected members of Parliament should express the views of their constituents first and foremost. There should be more free votes in the House of Commons. If individual rights are enshrined the Constitution does not need a social charter.

Those were the topics that were discussed throughout the day. If I could summarize with one comment, which is at the bottom of the submission: Canadians must succeed. We need a strong federal government and we need a strong united Canada. Our Canada includes Quebec.

Mr. Jim Edwards (Edmonton Southwest): Madam Speaker, this is a valuable debate. It is an unusual debate because it is one that focuses entirely upon what we are hearing from our constituents on the subject of the Constitution and what we ourselves, as members of Parliament, are prepared to do; we who will be charged over the next few weeks and months with shaping that new Constitution.

Like my colleagues, I have had a series of meetings in my constituency on these subjects and have been conducting surveys of my constituents. I will very briefly summarize what I have been hearing.

My constituents rank Senate reform as their highest priority. In the 10 years of its existence, the Charter of Rights and Freedoms has become very important to my constituents. In fact, they were not supportive of the ability of governments to override the charter using the notwithstanding clause. At the same time, most of them indicated that they did not want to see the charter extended, except perhaps to include an environmental rights clause.

The majority of respondents to my queries would like to see the process for public involvement in constitutional amendments strengthened, primarily through referenda and public hearings.

Many of my correspondents do not think that multiculturalism should be reflected in the Constitution as a principle of our society. Those same constituents were not aware that multiculturalism is now reflected in our Constitution as a principle of our society.

The concerns of aboriginal peoples were a high priority for my constituents, while they seemed to be split on the question of which jurisdiction should have control over language policy.

Finally, my constituents indicate to me that a strong federal government that can ensure Canada's international competitiveness and is able to set national standards but has strong regional representation is important to them.

It is my understanding that throughout our country many citizens' committees, many constituent assemblies have been set up to study the 28 proposals, comment on them and analyse them, and that representatives of those committees will be attending the joint committee on Canada's renewal next Monday. That is a laudable move and I look forward to meeting with some of the people who will be coming to make their presentations. Some that I am aware of, and I know there are many others, are those from Sarnia—Lambton, York—Simcoe and Selkirk.

I think the joint committee is doing a great service to the process. I am delighted to see that it is proceeding without rancour in a spirit of multi-partisanship and attempting to do the best it can for Canada. It has a phenomenal chore in front of it. It is worth noting that these 30 individuals, members of the House of Commons and the Senate from all parties, are spending as much as 90 hours to 100 hours a week on their task. They are conducting hearings five days a week and are conscientiously attending the five constitutional conferences which are being held on the weekends.

It is a privilege to have played some role in this process, having had the challenge of co-chairing the previous joint committee on the constitutional amending process.

What we recommended in our report on June 20, 1991 was an open process. I am delighted that the process has been opened as it has. I am also pleased to note the role that Albertans are playing in the process. Canadians from all parts of the country are, but notably in Calgary we had an Alberta minister who is responsible for the dossier. We also had a former premier of our province co-chairing the conference sponsored by the Canada West Foundation.

The value of these conferences when the history of the time is written will be remarkable because they have brought a focus to the debate that may have been lacking before. The Calgary conference in particular, dealing with the council of the federation, rejected that idea overwhelmingly.

It approved, not surprisingly, an elected, effective and almost equal Senate; but it tossed us a curve as well. It said that there must be a voice for the voiceless in that Senate. It is an interesting challenge to think of a Senate which is territorial in its representation but which will have supplemental representation from aboriginals obviously, as was recommended in the government proposals, and perhaps from others. It will be a tremendous challenge to see how those others get selected.

Perhaps we could examine the Athenian model of actually choosing them by lottery. After all, some of the greatest contributions at the weekend conferences are being made by the lottery people, people who had

indicated an interest in the process, ordinary Canadians who were chosen by lottery.

I mentioned that I had a number of public meetings on the subject. Following one of those meetings, a constituent of mine born in Holland, a Canadian citizen for many years, approached me and said: "Jim, I did not want to raise this during the meeting, but why should we give Quebec a distinct society?" My response was: "We should give them a distinct society for just the same reason that they should give us the Rocky Mountains". He said: "We have already got the Rocky Mountains". I said: "That is my point, George".

The second point he made was: "Why do we spend so much money on bilingualism?" I said: "You are from Holland. The Dutch spent a lot of money in turning back the sea. The Dutch could have walked away from that and gone to high ground and become Germans, but they didn't do so. What they did was they decided to fight back the sea and developed special national character traits as a result of that".

We have developed special character traits as a result of having a two language policy. We have developed the skill of compromise and accommodation and understanding the other person.

That brings me to my final point, which is that we must go beyond tolerance. We can tolerate black flies and mosquitoes. We can tolerate boils. We do not particularly like them, but in order to move genuinely from tolerance to mutual respect we have to get to know the other individual. As my colleague from Brandon—Souris said: "We truly do not know each other". We are a multitude of solitudes in this country.

We need as well to covenant with each other. Professor Donald Bailey of the University of Winnipeg was a witness before the previous joint committee on March 27 last year in Winnipeg. He said that what we are talking about is a contract in our Constitution. We ought to be talking about a covenant. In covenants the emphasis is on optimums, not minimums. The obligation is to seek ways of giving mutual sustenance as long as the other party has need, not only until the legal terms of the written agreement have been satisfied.

Beyond the covenant I think we ought to be grateful. The greatest gift according to Steindl–Rost is thanksgiving. In giving gifts we give what we can spare and in giving thanks we give ourselves. One who says thank you to another really says: "We belong together, giver and thanksgiver belong together". Let us be givers and thanksgivers as we go through this difficult process so that we may deserve to remain one united country.

• (1920)

Mr. Lyle Vanclief (Prince Edward—Hastings): Madam Speaker, it is a pleasure to have the opportunity to stand in the House tonight to participate in this demonstration of the desire of Canadians to be part of this constitutional debate.

I was certainly pleased as all members of the House were when the agreement was reached to allow this opportunity for us to put before the House and before the Canadian people—and when I say that I mean all Canadians—the views of those people we represent. I say that they want to be part of this debate and they really deserve to be a big part of it since it is their Constitution we are dealing with.

In this respect I hosted two town hall meetings back in mid–November. They were very well attended. I again want to congratulate the people in Prince Edward—Hastings for their attendance. I have to admit I was very surprised at the number that did turn out. One particular meeting of those two was on a Friday night in a small town. I said to some of my staff as we went to that town: "If we have 20 or 25 people out tonight I will be very pleased". We had 78 people. One might say that is not a lot of people, but in a small town of less than 1,000 people that is a considerable number.

The only disappointment I did have was that I would liked to have had more young people at both of the meetings, more people of a younger age, so that we could have had more input from them. However those were the people who chose to come to the meeting.

At the meeting I did not offer any of my personal comments or interpretations, but we went over each of the 28 points of the constitutional proposal and asked them to fill out a questionnaire which they had received

on arrival so that if they did not wish to speak they could express their views. We tabulated those at the end.

Before I am finished I am going to run through those conclusions quickly. They may not necessarily be my own personal conclusions, but they are the conclusions of those who attended those meetings and asked me to bring their views forward. I can say as well that I have received dozens, hundreds, more than that, of telephone calls and letters. I am certainly impressed as all members are with some of the letters that are many typewritten pages long. That is indicative of the concern of many people of the constitutional debate we are going through at the present time.

I had the meetings in the way I did because I did not want to speak at them. By that I mean I wanted to hear what the constituents of Prince Edward—Hastings had to say. I can tell the House and all Canadians—and I am not tooting my own horn—that that is what many Canadians want from us as members of Parliament. If nothing more, they want us to listen and to pass that on. Again I appreciate that opportunity here tonight. They had many concerns and they had many questions. They want their feelings and representations considered in this important national debate.

As I say, I have received many letters. I have responded to those to the best of my ability. I have extended as much information to those people as I possibly could and I know they have appreciated it.

It may not be a surprise—and I am sure it is not—to those in the House and to those who are watching that the public has grown very cynical of elected politicians. Many times it has fallen upon myself and others here to field criticism and objection over our behaviour in the House. I have to admit that too often I had to agree with them. With an effort such as holding the town hall meetings I had an opportunity not to lecture, but to hear my constituents.

I may not use all my 10 minutes. I want to table these and it is my understanding that we can table them with the Clerk tonight. I would ask to do that when I am finished. I have forwarded them to the joint committee and have had letters of acceptance and recognition. I appreciate that as well.

I am going to go through the conclusions quickly. I want to say from the outset that I am not making excuses. I do not necessarily agree with all of them. I may agree to different degrees with some of them. I can say that I know there are likely people in the House and people watching tonight who will be shocked and not be very happy with some of them, but the point of this session tonight is to hear what Canadians have to say.

The proposal on property rights is supported but considered too vague. These are referring to the 28 proposals. Although the override or notwithstanding clause was the object of considerable discussion by the participants, the consensus was that implementation should require a 60 per cent vote of Parliament or legislatures rather than a simple majority.

The distinct society is opposed by the majority along with any special status for Quebec. Aboriginal claims have the support of the majority but with some concerns about self-government and the period proposed to finalize any agreements. The Canada clause is favoured except for the items requiring governments to preserve language rights and Quebec's role in preserving and promoting distinct society.

People want more voice in government and more responsiveness from MPs. An elected Senate with regional representation gaining favour is supported with the Senate having significant powers. A majority opposed concurrent election of the Senate with the House of Commons. The proposed composition of the Supreme Court was not supported by the majority. Consensus on an amending formula for the Constitution favoured approval by two-thirds of the provinces and a referendum with a double majority. Unanimous approval and veto by any government or group was strongly opposed.

A majority approved the free movement of people, goods, services and capital, but the support for exclusive authority to lie with the federal government was marginal. Marginal opposition was expressed against opting out provisions. The harmonization of economic policies did not receive majority support. Questions respecting distribution of government powers were not strongly supported except for the strong opposition to the delegation to the provinces of responsibility for immigration and culture.

There was no significant opposition to eliminating the federal declaratory power. In general, people favour a strong central government. There is strong opposition to delegating powers to provinces unevenly. There is equal support and opposition concerning federal introduction

of cost-shared programs in provincial jurisdiction but strong opposition to any opting out of such programs.

There was extremely strong opposition to the council of Confederation. Many commented that there was already too much government.

I read those into the record and I repeat, I do not necessarily agree with all of them. Some of them I do agree with, some of them I do not. We do not have the time for me to discuss that and to put my views forward tonight.

However, I would like to agree with the previous speaker. We know—and if we do not, we have our heads hidden in the sand—these feelings and these concerns are out there. As I said at the start, some of these are very strong statements. I am sure there are members in the House tonight who will say: "There is part of the problem". We have to be realistic. Those are the views of some Canadians.

Let us hope and pray for the spirit of compromise, the spirit of understanding and the spirit of respect which I think is gaining ground. These meetings took place in mid-November. I was pleased with some who attended those meetings. When I saw them there I thought: Here are some very strong-minded, strong-willed, strong-thinking people. At the conclusion of the meeting they thanked me for having it and said: "Lyle, I feel and think differently now than I did three hours ago".

I stress and urge all Canadians to attend any of these meetings, view all of these things, and go forward as we all need to and should in the spirit of compromise, understanding and respect for all other Canadians so that we can keep it together. Together we stand and divided—I don't know what the answer is and I don't really think it would be a good one.

• (1930)

Mr. Felix Holtmann (Portage—Interlake): Madam Speaker, I would like to begin my comments this evening by indicating that I have the most common culture as a Canadian sharing something with you tonight. I have the common cold.

So if I sound a little bit gruff and a little harsh it is very systemic and very Canadian to have one of those at this time of the year, unless you are among the more fortunate and go to Florida for the winter. But I don't consider them quite as Canadian as we who stay here and work throughout the entire year and maybe play at Canada throughout the entire year. But a vacation is nice sometimes and sometimes I am envious that I do not take more of them in the nice south in the wintertime.

Although I am an elected member of Parliament I do not wish to speak on this subject so much as a member of Parliament, but as a Canadian and as a son of an immigrant who came to this country from Europe in 1929, and he thought for ever and a day that he was coming to one country, Canada.

So many other people who came to this country and made this country a strong, powerful nation, who built this country up into a modern society, they came to every province, they came to the east coast, they came in the earlier part mostly from Europe.

They came to the west in droves after the turn of the century and built up the west. They came to a Canada that they had read about as a promised land, as a place where they could make a living, raise a family and be away from the crowds and the disparity that occurred in some of the countries they lived in.

After 125 years, which we are now going to celebrate as a country, so many of these immigrants—and I am not talking about the founding nations so much in my report, although they also were very instrumental in putting this country together, knitting it together and creating the provinces—I am talking about my own particular family, where my father and mother came here in 1928 and they worked hard and they prospered and they raised a family which now lives in the province you are from, Madam Speaker, in your own constituency. I have a brother working and raising a family there—to the coast of British Columbia where I have a brother working.

We sons of immigrants grew up in this country because we were proud of it. It offered us opportunities. It offered us opportunities because it was diverse, it was large, it was rich, and it had many, many people with the desire to work hard and take that risk and leave home and start a new life.

My father celebrated his 90th birthday two weeks ago, and he is still quite strong and able, a little wrinkled maybe. He made a speech about this country and how danged foolish we would be to even think of dividing it. He worked hard and he is still living, together with my

mom, and as they get older they cannot perceive of this country being divided.

When you consider the hundreds of thousands of people who came to Canada, whether it was to Newfoundland, whether it was the province you are from, Madam Speaker, not coming from Quebec, but coming in fact from other places to start their lives there and having their offspring, their sons and daughters, moving from wherever in Canada, in some cases back to Quebec and adopting that province as their home province with its uniqueness and with its marvellous people, we have to ask the question: Where did this all begin, this desire to make our country two instead of one?

I blame the politicians. I believe it was politically driven, both from outside of Quebec and inside of Quebec. It was not so much from the grassroots. Who wants to divide this nation up? I believe it was politically driven and I believe we have to nip that in the bud right now.

The country, with successive Prime Ministers set about trying to find a way of accommodating that particular problem, as well as others we now face in western Canada of some alienation. I think they have a set of proposals of which I believe all will not be accepted. But there are enough good ones there that we collectively as a country can even become stronger.

The idea of electing a Senate is a terrific idea. I was just down in the United States in Washington and a senator told us that was the right way to go. He said that it would give our Senate some respect. I agree with that.

This appointment of senators is not what we should be doing. It was an old tradition that we brought back from England. Let us elect the senators, it makes sense. Let them be responsible to an electorate. I agree with that. Whether we will end up with a Triple-E or a one-and-a-half-E or a two-E, but I think we should have two Houses and I think that is the way we should govern ourselves. Let us decide collectively to do something like that.

I wonder why we are not sometimes looking at changing this House a little bit and making it more effective. Why do we have to go to the electorate whenever the Prime Minister calls an election as opposed to maybe setting an election day every four years or five years? Maybe we could avoid some costly elections.

We may have some minority governments, we may have governments lose power, but why call an election, why not have the Governor General find a new government that would form with some other coalition? That does happen in other countries and it is really worth considering in my view.

Let us set the date. We all know when it will be coming. We cannot tamper around a lot with the dates as we are now. I wonder if that should not also be considered.

You hear a lot of people talk about why we should stick together. The best reason I can think of, as some I heard this evening and I am sure we are going to hear, it is the young people, it is the children, it is the next generation. Are we going to leave them a divided Canada?

Are the immigrants who came to this country, who wanted a strong nation, going to have to tell them we could not keep the place together when so many others are trying to do so, when so many countries are trying to find common ground, common markets, common currencies because it really is a way of expressing strength and peaceful co-existence. We do have a new world order, there is no doubt about it.

I am going to end on one more area that will keep this country strong, I believe, from coast to coast, and that is the economy. If we do not work on our economy, there may be more and more reason to say that this country is not working because of our differences and because the politicians have not worked in trying to give us a better standard of living.

Without a strong economy, we will find dissension always in this country. We do go through recessions from time to time. They will not stop because we may change governments. I think we have to harness them or at least adjust to them so that they do not become so deep, creating so much unemployment that in fact it creates nothing but dissension.

• (1940)

We have a great opportunity in this land. This country, I believe, is still regarded as the second best place in the world, if we follow the United Nations position on it.

I submit to you, Madam Speaker, that if we divide this nation, we will not be the second best place in the world; we might be the fifty-second or the seventy-seventh or whatever number, because people will see we have lost a great opportunity.

[*Translation*]

Hon. Jean Lapierre (Shefford): Madam Speaker, I welcome this opportunity to rise in the House during this special debate on the federal proposals. After listening to the speeches we have had so far, I must say I am disappointed in the level of this debate. It sounds more like a series of open-line shows than a serious debate, when in a matter of only a few weeks or months the final proposals on the constitutional future of this country are to be submitted to Quebec.

I listened more or less attentively to speeches similar to those made in 1980, with their references to this great and beautiful country of ours and their promises of major changes. Twelve years later, Madam Speaker, such speeches are no longer appropriate. In February 1992, they seem rather irrelevant. After all, when the House meets to discuss national unity, it cannot, in the process, ignore the Quebec question.

Quebec is the only reason national unity is a problem for the rest of Canada. This evening I heard about solutions to all kinds of problems, but no concrete proposals for meeting Quebec's aspirations. I realize now why, after the Quebec round, people wanted to drop the word Quebec and call this the Canada round.

After Meech Lake and the lack of generosity shown at the time by the rest of Canada, they now want to confuse the issue and dilute Quebec's aspirations in this vast, 28-proposal plan. However, Madam Speaker, in the end it always comes down to the co-existence of two founding peoples, and whether, in this institution and in this country, there is any possibility they would be able to get along and prosper together.

Madam Speaker, after Meech Lake, English Canada caught a new virus. It was afflicted with acute consultation, and for a year or rather 18 months after the demise of Meech Lake, we have seen a series of more or less useless consultations. Some were more useless than others, and we all remember the Spicer commission. We had the Beaudoin-Edwards committee, the Castonguay-Dobbie commission now Beaudoin-Dobbie and we have had a series of conferences. Basically, the process is still going on. Unfortunately, we have become so obsessed by the process that we have forgotten the purpose, Madam Speaker. We are so intent on pleasing everyone and his dog that we have lost sight of the fundamental issues.

Consequently, when we as sovereignists listen to what is going on across the country and we see how the country is getting bogged down as a result, we can only predict that the process is doomed to fail. Madam Speaker, during the past few weeks, a series of conferences has rejected the federal proposals, one after another.

At the Halifax conference, for instance, the whole division of powers package was rejected out of hand. They opened the dictionary and came up with a new concept. To avoid the words "special status" they called it asymmetry, to confuse Canadians even more. Our pseudo-intellectuals thought they could sell this concept to the rest of the country. However, we have already had a reaction from Clyde Wells, one of the people who killed Meech Lake, and who saw through the mist of rhetoric and said that asymmetry was unacceptable in his Canada.

Madam Speaker, at the conference in Calgary, people also rejected most of the institutional reforms proposed by the government. As for the conference in Montreal, it might as well have been called off before it started, because all the proposals for economic union had already been rejected by members of the government. However, the charade goes on, Madam Speaker, and I predict that the Beaudoin-Dobbie report will be a carbon copy of the Charest report. The truth is, we have the same people around the table, the same parties with the same programs.

After the demise of Meech Lake, people still don't realize that talk and consult as we may, there are still two visions in this country. There are two visions that are diametrically opposed, whether we are talking about institutions, the division of powers or provincial jurisdiction. The problem, Madam Speaker, is that there are two visions and only one country. What we need is another country, and that is why Quebec sovereignists say to the rest of Canada: Make the kind of country you want. Make your own country. Concentrate all powers in Ottawa. Form an economic union that will turn your provincial governments into municipal governments. Go ahead, but don't expect us to get involved. We don't want to appear anti-Canadian. We realize some people may

prefer to live in a very centralized country, but we feel this goes against the initial pact of Confederation.

We can assume that English Canadians will develop their own kind of country and their own kind of institutions. We also have to recognize the fact that through the years, francophones and Quebecers have achieved greater maturity, both economically and culturally.

When I hear speeches that recognize our distinctiveness on the cultural level only, I must say that Quebecers' aspirations now go far beyond culture. We have also learned to use the economy to shape our present. We also want to control the instruments of our economic development. Therefore, Madam Speaker, when I see the process in which we are engaged, I must regret that we are talking at cross-purposes and that here in this House people still dream of the good old days and still talk about sharing the wealth, when this Parliament has got the country $400 billion in debt, when we know that every day the Minister of Finance makes decisions on the basis not of sharing the wealth but of sharing the debt.

I would like to be able to believe that the sharing of powers is not necessary at this time and that everything is going well in the best of all worlds. In reality, there is duplication every day; there is waste that our fellow citizens can no longer afford.

I would like to tell you that this debate is not artificial, but it is, Madam Speaker. The reality is that back in their ridings, some members mentioned the reactions of their constituents who do not want any special status for Quebec, who do not necessarily want any new power sharing, who want an equal Senate where Quebec would be equal to Prince Edward Island.

• (1950)

I know that some Canadians think that. They can make their country as they want to, Madam Speaker. But we are telling you tonight that the process this country is in does not fit reality and the last chance, Madam Speaker, was the Meech Lake accord. There are no more chances. The reality is that your process, the one being followed here, talks about the good old days. However, the people have matured much more than this Parliament. Madam Speaker, let us hope that we find a way to maintain the dialogue, to shape new institutions, perhaps common economic institutions, but be sure of one thing: Quebecers will decide their future themselves. This Parliament will not dictate to them what their future will be. Accordingly, Bill 150 of the National Assembly provides for a referendum on October 26 and I hope that this Parliament will respect the democratic choice of Quebecers.

[*English*]

Madam Deputy Speaker: A point of order, the hon. parliamentary secretary.

Mr. Cooper: Madam Speaker, on a night when we are discussing the new rules for the country of Canada and our relationships within the country I thought it would be appropriate for me, even though it is also contrary to our rules, to introduce to you—and I hope my friends will forgive me doing this—the 11th Ottawa Hunt Club B-Pack Cubs and B-Colony Beavers, who are with us studying rules.

Madam Deputy Speaker: The hon. parliamentary secretary has very openly broken a rule which he knows very well. He also knows very well that the only person in this place who can openly recognize someone in the gallery is the Speaker. As someone who was in the scouting movement many, many years in her youth, I will join with the House and say hello to all of them.

[*Translation*]

Mr. Joseph Volpe (Eglinton—Lawrence): Madam Speaker, I would like to thank my colleague, my friend who preceded me, because he spoke eloquently as someone looking at a picture of the past and in that picture he sees the future. I accept everything he says to us because he is talking about one vision of Canada. He says that we must save this country and build a country that is evolving. He reminds us that this country was created by a pact that resulted from negotiations between two founding peoples, yes, but their combined population was less than three million 125 years ago.

Today, Madam Speaker, the population is completely different. Our population is now over 27 million. My colleague, my friend, will be the first to admit that the population of the country he knew in the past is no longer the population he sees nostalgically, somewhat romantically, in that picture, some idealized dream of a past that never really existed. That said, I would not deny that there are legitimate aspirations, because every

people, all the peoples of Canada, have aspirations that must be considered in the future balance of this country. The history of Quebecers in North America and then in Canada is also my history. As a Canadian, when I was a young student, for me, the history of Canada was the history of Quebecers' experience, because for me they were Canadians. Like many recent arrivals to this country, I felt part of that experience.

[*English*]

It is an experience from which we have built our own Canadian experience. My hon. friend says that maybe this debate should have been one in which we start to talk about how to save this country.

I do not think there is a member in this House who would not want to save this country, like my constituents and the constituents of all members of this House. The questions have really become frustrating ones about how this is to be accomplished. Even worse, it is a perplexing one: What kind of country do we see?

My colleague from the Bloc has given his image of a country. I am not sure it is an image which is shared by all he would pretend to represent, although it is a legitimate position nonetheless. I also represent a sizeable section of this country which not only has deep roots in the geography, tradition and heritage that is Canada, that is Quebec, that is every other province but has a stake in the future and aspirations of all Canadians, whether they define themselves as—

[*Translation*]

Quebecers, Ontarians or British Columbians—

[*English*]

they are part of something which we all aspire to build, because, as my colleague said—

[*Translation*]

we want to make a country in our image.

[*English*]

If we want to construct a country, what kind of an image is that? It is a country in evolution which takes into consideration that more than 40 per cent of the people of this country have their roots in a history neither anglophone nor francophone in origin.

They see themselves as proud proprietors of the destiny of this country as much as anyone else. The key point that we should be concentrating on in this debate, in the discussion of the proposals that will eventually come before this House, is whether all Canadians will have proprietorship in the proposals this House must consider.

Until this point we have not reached that kind of consideration. As my colleague has said, we have taken a picture of the past seen with great nostalgia and inferred on that picture attributes which perhaps were not considered then and which we wish to selectively attribute through our historical interpretation. Whether we come from one side of that picture or the other we are excluding better than one-third of this country.

Most important, we are excluding the aspirations and the perceptions of the great majority of Canadians. They are beginning to suffer frustration and anguish upon seeing the growing intolerance which I see as a member of Parliament.

I, too, like some of my other colleagues, have sent out questionnaires. I have sought out opinions. Unfortunately, most of the results say that this country is a uniform, monolithic, homogeneous concept which coincides with the writers' own. I do not fit in that definition either, and I could see how my colleague from the Bloc would also not fit into it.

We have a higher calling in this House. I, and my colleagues from all parties, have a calling to ensure that we gather all of those ideas together and demonstrate some leadership. We cannot afford to marginalize those who saw this country as an opportunity to develop a nation built by working collectively, in collaboration, by ongoing co-operation and ongoing negotiations in which the key words were evolution and growth.

Maturity develops when we have a rapport that is not exclusive and is not excluding. There was an article in *Time* earlier this week alluding to the concept of a multicultural America. I think it is also a very worthwhile concept for the Canadian experience. It is only when we begin to understand the true meaning of this

kind of a philosophy, this kind of a concept that we define multiculturalism, that we throw away very quickly with the same kind of disdain that many of our less tolerant Canadians view bilingualism or a multicultural experience or in fact any other kind of experience that is not their own and not particular to their parish.

• (2000)

What we have to do with the debate that has begun tonight is to consider very seriously where the initiatives of the government's proposals are going to take us as individuals, as citizens of this country. Let not any of us give attention to all of those who would wield power by trying to influence a decision based on jurisdictional interests.

Like my colleague, I too am tired of seeing a premier from this province or another province wax with all kinds of arrogance and with all kinds of righteousness on constitutional position and tear the country apart as a result. Positions should be discussed in this House. All of us have the obligation and the authority to do so.

Yes, we can draw upon many of our constituents. I too would like to table in this House at least five of the briefs that were presented at a constitutional piazza in my riding. Over the course of seven hours people from all walks of life, such as Dan Iannuzzi, a publisher of the magazine, *Communita' Viva*, spoke about some of the reforms of institutions of Canadian-Italian business associations, youth groups and other community groups as well, all of them with a stake in this country and all of them feeling left out, all of them saying: "We can support a new constitutional package if indeed one must be had. If not, we would like to have a stake in what is going to be the outcome". With that stake we also gain that proprietorship. With that proprietorship we can afford to give support. We can afford to talk about those things which are germane to each and every one of us on a day to day basis, the economy, the way that we relate to our parents, to our families and to all of our neighbours.

All of those things cannot be achieved unless we allow all Canadians to draw that picture that my colleague painted so eloquently a few short minutes ago. We can expand that picture to include the whole complexity of Canadian society and give it the philosophical requirement it needs to sustain continued growth. That sustenance cannot be found except through a concept that recognizes equality, diversity, partnership, collaboration, co-operation and justice.

That concept is encapsulized in one word, "multiculturalism". It is not encapsulized in any other. Only under that concept can we permit the kinds of differences and kinds of distinctions and the kinds of authorities and jurisdictions at a legislative level to ensure the flow of the evolution of a development of a country in which we can all take part.

[*Translation*]

Quebecers, Canadians, everyone. Thank you.

[*English*]

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, it is with a spirit of great optimism that I stand before my colleagues today to speak about the positive momentum and energy that is building around the government's constitutional reform process.

Recent developments lead me to believe the federal government's efforts to promote a dialogue on constitutional reform is clearly having positive results. Granted, our constitutional discussions have a long history. Within the last 13 years the federal government has embarked on no fewer than 15 reports on the Constitution: Pépin-Robarts, Donald Macdonald, and Keith Spicer to name just three.

Last September, my government tabled its 28 proposals in the document *Shaping Canada's Future Together*. The process to make them known to Canadians across this great country is clearly galvanizing public interest and a desire to solve these issues for generations to come.

In the past weeks Canadians' well-known tolerance and respect for diversity have been diligently applied to the process of building a new Canada. Through the process that has been put in place, namely a special joint committee, the five national constitutional conferences, and the parallel process on the aboriginals, many opinions, some strongly stated, some passionately held, are being advanced. The constitutional conferences are providing Canadians with a first-hand look at how complex nation-building is in reality.

I would venture to say that there appears to have been a subtle change in the atmosphere toward the broad constitutional issue since Christmas. By this I mean that

there is more confidence that the process itself is working.

Canadians recognize that it has a much broader legitimacy and so it is a catalyst to inspire better ideas for achieving benefits for all Canadians.

Clearly the constitutional conferences have helped. This is due in part to the fact that Canadians from a wide variety of backgrounds have come together and somehow there is a greater sense that the country is at risk, that we risk losing something truly wonderful.

Canadians at these conferences are taking a national perspective on these issues, which is most heartening. All this is not to say that there will not still be sharp debate in our future. There is a lot to talk about and a lot of agreement still to seek, but this vigorous debate is providing many excellent ideas which will be very helpful in making improvements to the original package.

Let me detail for you some of these positive signs. The spirit of openness and diversity of opinion has marked all three conferences held to date, but participants at the first one are still talking about the spirit of Halifax. At this first conference the unexpected happened. Delegates demonstrated first hand to the rest of the country that they were open to accommodation to ensure that Quebec remains a member of the Canadian family. They were even prepared to suggest that the federal government should change its power-sharing arrangements, that such an act of accommodation would be made to ensure that Quebec is kept as a member of the Canadian family. Canadians have spoken and my government will listen.

Delegates to the conference in Calgary spent the bulk of their time talking about the Triple-E concept, a Senate that is elected, effective, and equal. As you may know there was overwhelming agreement on the first *E*, that the Senate ought to be elected.

Most people thought a more effective Senate is also a good idea.

True, there was no real consensus on the third *E*, no agreement on whether each province should send an equal number of senators to Ottawa. My government is anxiously awaiting to see how the special joint committee deals with this issue.

Furthermore there are now a number of formulas on the table that may meet with broader acceptance, such as proportional representation.

At the economic union conference in Montreal there was a broad view that the Constitution should be brought up to date allowing freer trade in services, in capital and people, not simply goods. This is certainly something that the government believes is important. Although there was less agreement on our other economic proposals, we must separate the underlying principles to continue Canada's wealth and prosperity.

Some criticize the language of our precise proposals but fortunately there seems to be a growing acceptance that economic union powers can be expressed as acts of joint decision-making, not unilateral authority.

My government looks forward to the discussions this weekend on distinct society, the Canada clause and Canadian values at the fourth conference. Already in the past few months many Canadians have suggested that accepting Quebec's distinct society would be the natural thing to do.

The future of Quebec in this country is a question to be addressed by every Canadian. When one-quarter of our population wonders if it is wanted, then that is a problem to all of us.

Canadians will voice their opinion on the need to reflect in our Constitution the reality that Quebec is a distinct society so that the French-speaking majority of Quebec can feel at home finally and forever in the Canadian family. The government will listen carefully to those views.

• (2010)

On the aboriginal proposals there seems to be a growing willingness in many quarters to describe the aboriginal right of self-government as inherent, as long as this is in the context of Canadian law or Confederation.

As you can see there is a momentum building. The mood is more buoyant and more positive. This bodes well for the country.

Almost as important as the conference subject matter is the tone with which it is discussed. It is particularly important at this sensitive time in our country's development that these discussions be characterized by a recog-

nition that compromise and accommodation are the essential ingredients for a united Canada.

That is exactly what has occurred in the last three conferences. Canadians are to be commended for their level-headed yet passionate approach to the process of nation-building. It is a process that is working extremely well. It is demonstrating that Canadians are seeking to understand one another's point of view in the interests of building a more united Canada.

As the joint parliamentary committee prepares its report for February 28, a report based on presentations by many different groups as well as the advice from the constitutional conferences, the process for a consensus has gradually begun to take form. Very shortly the Beaudoin-Dobbie committee will provide its recommendations to the government. Regardless of the direction of these recommendations, I am pleased to see that an openness of spirit is growing across the country. Now more than ever, as we enter the final stretch of this stage of the constitutional reform process, the ability of all parties to compromise, to conciliate and to achieve consensus will be paramount. The government intends to continue this open consultation process.

As the Prime Minister recently said: "We will remain flexible, open-minded and focused on an achievable consensus that can serve durably for generations to come".

The federal government looks forward to continued, vigorous and reasoned debate to ensure that the best possible constitutional package is achieved in this Canada round. It is clear from the spirit of compromise that Canadians want to keep this country united and prosperous. My government intends to do everything in its power to achieve that goal.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I welcome the opportunity this evening to say a few words about the unity of our country. I do so as the member for Glengarry—Prescott—Russell, but also as a citizen of this country, born in Quebec, who chose Ontario as his province of residence.

Mr. Speaker, the electoral district in Ontario which I represent has a francophone majority, which is rather unusual and practically unheard of for some Canadians, and I would even say for some Quebecers. I have travelled many times in Quebec with my family, and I remember one trip in particular. I stopped at a service station near Quebec City, and the young man who filled my tank spoke to me in English. I answered in French, but he kept answering in English. He thought I would appreciate that being from Ontario and as far as he was concerned, I was an anglophone. I had a hard time explaining to him that in Ontario like anywhere else, francophones speak French.

Mr. Rocheleau: But the young man was English.

Mr. Boudria: No he was not. The hon. member for Hull—Aylmer said the boy was English. He was not and I am sure if the hon. member had heard him, he would have realized that. No, this was a francophone who was trying to do me a favour by talking to me in English.

My point is, Mr. Speaker, that first of all, this young man was not aware of the existence of franco-Ontarians, and what is even more important, I think, is that he was being friendly and wanted to please someone by speaking what he assumed to be his language.

And that is something we ought to remember. Every time Canadians quarrel about language, we forget there are many other Canadians with similar differences. The exception does not prove the rule, it is the rule, and we should remember that.

Mr. Speaker, Longueuil township is in my riding, and formerly it was the seigniory of Longueuil. This was before the Constitution Act of 1791, which separated—this may interest the hon. member for Shefford—Ontario from Quebec. The Act of Union of 1840 united Ontario and Quebec, and we have had a united Canada since that time, and I hope we will for many years to come.

Mr. Speaker last fall, I sent my constituents a questionnaire asking them for their views on the constitutional question. I now have the results, and I sent a copy to all the members of the parliamentary committee responsible for examining these issues. In fact, I sent copies to several members and to all the media in my riding, as well as to the respondents themselves. About 500 people returned the questionnaire, and here are their responses to some of those questions. I would like to share this with you.

The first question was: Do you think a constitutional declaration on the nature of Canada should include our commitment to two official languages? Ninety-two per cent of my constituents answered yes, 11 per cent said no, and 7 per cent were undecided or did not reply.

The diversity of our cultural heritage? Sixty-eight per cent answered yes, 15 per cent, no, and 17 per cent, other.

The distinctiveness of Quebec's society? Forty-two per cent answered yes, 41 per cent no, and 17 per cent had no opinion. Here again, the majority of my constituents were in favour of the proposal.

Recognition of the role of aboriginal people? Sixty-two per cent answered yes, 20 per cent, no, and 18 per cent had no opinion.

Actually, the response to all my questions was rather interesting. Take, for instance, the mobility of goods and capital in Canada. Eighty-eight per cent in favour, 5 per cent opposed, and 7 per cent no opinion or undecided.

Elimination of the provinces' preferential procurement policies? Sixty-four per cent in favour, 14 per cent opposed, and 22 per cent other.

Elimination of interprovincial barriers to trade? Sixty-eight per cent in favour, 13 per cent opposed, and 19 per cent no response.

Elimination of provincial restrictions on the practice of certain professions? Seventy-one per cent in favour, 17 per cent opposed, and 22 per cent undecided.

The answers are not surprising, Mr. Speaker, because in a border region like mine, people are aware of the problems involved in moving goods or services between provinces.

Canadians may recall the story of the contractor in Nepean, here in the Ottawa area, who had been awarded a contract to install pavement in the Aylmer area. When it was found the bricks had been manufactured in Ontario, every single brick had to be removed.

• (2020)

Most Canadians know the story. What is not generally known, however, is the fact that the same has often happened in reverse.

I remember that when I was a provincial member, the Ontario government purchased railway cars from Hawker Siddeley in Thunder Bay instead of from Bombardier in Montreal, although they were more expensive, because it meant keeping the jobs in the province. Of course, the people of Ontario ended up paying more, because the government had spent more money than was strictly necessary.

My constituents and I feel the kind of restrictive practices that exist today should be eliminated as far as interprovincial trade is concerned. Interprovincial trade in Canada should be increased. We should have free trade among Canadians.

I also asked some questions about an elected Senate. Eighty-one per cent said they were in favour of an elected Senate 12 per cent were opposed, and 7 per cent had no opinion.

Since I left a space for comments, I expected a lot of people to say we should get rid of the Senate or something like that. However, no one did. People were either in favour or opposed or had no opinion, but 81 per cent of the respondents said they were in favour of an elected Senate.

I also asked the following question: Do you think that the decision to create a new province in Yukon or the Northwest Territories should be up to the federal government and the ten provinces? Twenty-five per cent. The federal government and seven provinces? Twenty-two per cent. The federal government and the people of the territory in question? Fifty-one per cent. Only two per cent had no opinion.

Should the provinces be involved in appointing judges to the Supreme Court? Sixty-three per cent said yes and 25 per cent said no.

Mr. Speaker, I took this opportunity to tell you about the views of my constituents. I would also like to ask the Clerk of the House to lay the document on the table, and I am referring to the response of my constituents to the questionnaire.

[*English*]

Thank you, Mr. Speaker, for the opportunity to participate in this very important debate.

Hon. Alan Redway (Don Valley East): Mr. Speaker, I am pleased to have the opportunity this evening to participate in this very crucial debate on the future of our country, a debate on whether or not we shall continue as a strong and united nation or whether we will allow, inadvertently or otherwise, Quebec to separate from the rest of Canada.

If we are to approach this issue in a realistic and unemotional way, it is important for all of us, whether we live in or outside Quebec, to understand fully the impact and the consequences that separation will have on our lives and on the lives of our families, our neighbours and our friends.

Separation would mean a lower standard of living for all of us. Canadians are bound together not only by a national government, by national programs and national institutions, but also by an interdependent national economy. Separation means severing not only our political ties but our economic ties as well.

In spite of our many provincial trade barriers, six provinces—Quebec, Nova Scotia, Prince Edward Island, Manitoba, Saskatchewan and Alberta—trade more within Canada than they export to foreign countries. All provinces, with the exception of British Columbia, export significant amounts to Quebec. Of our three largest manufacturing provinces—Ontario, Quebec and British Columbia—only Quebec is more dependent on trade with other provinces than on foreign trade.

Quebec's manufacturing shipments are roughly split between international markets and the rest of Canada. In 1989, 14.5 per cent of Quebec's manufacturing shipments went to Ontario while only 5.9 per cent of Ontario's went to Quebec.

However, in terms of dollars, as opposed to percentages, Ontario sends $10 billion of its manufactured goods to Quebec while Quebec sends over $12 billion to Ontario. Quebec's independence would disrupt those economic ties and could result in the erection of tariffs and other trade barriers.

Separation would create two new countries, each with a smaller population and a smaller economic base than a united Canada. Smaller markets and smaller economies are greater risks for investors. Credit ratings would go down and borrowing costs would go up.

The result would be a rise in taxes or a drop in government services for everyone. Because it did not sign the Canada-United States Free Trade Agreement, an independent Quebec would have to negotiate its own trade agreement with the United States.

In return for such an agreement, the United States would undoubtedly want, among other things, the elimination of all restrictions on American ownership of Quebec businesses, the unlimited right for Americans to bid on Quebec government contracts and the right to buy Quebec power at Quebec domestic prices.

In addition, since Canada without Quebec would represent only 75 per cent of its previous size, the United States might very well also decide to terminate not only the free trade agreement, but the auto pact as well.

Quebec's independence would also necessitate a division of Canada's assets and national debt. Some say, based on population, Quebec should assume 25 per cent of the national debt. Others say it should be 18.5 per cent based on Quebec's proportion of gross domestic product.

Without the consent of our creditors, the bondholders, Quebec cannot legally assume any of the national debt. At best, we can make a side deal where Quebec makes payments to Canada for whatever share of the interest and the capital we agree on.

However, if an independent Quebec, because of economic problems, defaults on its payments, the new Canada representing 75 per cent of the old Canada would still be responsible for the repayment of 100 per cent of the present national debt. Anyway you cut it, separation means a lower standard of living for each and everyone of us.

Well, if separation is not in our best interest either individually or collectively, what kind of a Canada do we need? In my view, we need a Canada with a strong national government and we do not need more decentralization.

Supporters of decentralization say that we are overgoverned, that we need to disentangle federal, provincial, regional and local jurisdictions and that we need to get decision-making closer to the people. By doing so, they say, we are going to eliminate duplication, waste and inefficiency.

That all makes good sense, but if we do decentralize, what will happen to national standards? What will happen to our national social safety net? What will happen to the equality of all Canadians and what will happen to our sense of being a Canadian? What do you think, Mr. Speaker, will our taxes really go down?

Well, if we do decentralize, the provinces will certainly need additional taxing powers to pay for their new added responsibilities. If we increase provincial taxing powers, we will have to decrease federal taxing powers. That in turn will reduce the number of tools available to our national government for managing the economy and creating an economic climate that encourages job creation and promotes price stability.

Canada is already one of the most decentralized countries in the world. The national governments of the United States and Australia both raise and spend substantially more money in comparison to their state governments than we do in comparison to our provincial governments.

Only Switzerland is more decentralized than Canada. The Swiss manage their economy by expelling foreign workers when unemployment goes up. In Canada this approach would be controversial, to say the very least.

• (2030)

The greater the degree of decentralization, the greater the need for federal–provincial economic policy co–ordination, something which is very obviously lacking between the federal government and the Ontario provincial government during the past few years. While the federal government was trying to restrain spending, the Ontario government was substantially increasing its spending. This increased spending contributed to higher inflation, higher interest rates and a more severe recession.

In 1988 the federal government reduced its income taxes. However, the effect was completely neutralized when the Ontario government raised its provincial income taxes. Further increasing provincial taxing powers will only create more potential for even greater policy conflicts and could lead us into economic chaos. That is the reason for the federal proposals for an economic union.

I think it is significant that in 1977 the leader of the Parti Québecois, Jacques Parizeau, said: "Because rather often in Canada we tend to talk of the abusive centralized powers of Ottawa, we tend to forget that in reality Canada is highly decentralized". Ten years earlier Mr. Parizeau had said: "Any further decentralization would lead to a fragmentation of decision–making powers that would be incompatible with any rational planning". In my opinion Canadians should take Mr. Parizeau's advice, on this issue at least.

What we do not need is more decentralization. We do not even need more decentralization combined with the concept of an economic union. What we need is a strong and united Canada and a strong and effective national government.

When our country was born its architects, Sir John A. Macdonald and Sir George–Etienne Cartier, delivered a message. Macdonald said: "We are a great country and we shall become one of the greatest in the world if we preserve it. We shall sink into insignificance and into adversity if we suffer it to be broken". Cartier said: *"Avant tout, soyons Canadiens"*, above all, let us be Canadians.

That is a message we should all take to heart.

[*Translation*]

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, for months now, I have listened to the unending constitutional debate in this country. Mr. Speaker, I see one and only one solution to the present problem: sovereignty for Quebec and sovereignty for English Canada.

Mr. Speaker, I do not intend to return to the federal–provincial conference held in Victoria in 1971, where we all know that things broke down. In the 1980 referendum, I had the privilege to chair the "no" committee on the Quebec side of the Ottawa Valley. We wanted to try to find ways to unite this country and foster understanding from coast to coast. Mr. Speaker, this was followed by the unilateral repatriation of the Constitution in 1982 which left Quebec out.

In 1985, Mr. Speaker, the Liberal Party of Quebec under Premier Robert Bourassa was elected. In the following months, there were meetings that in April 1987 led to the Meech Lake accord, which was ratified by the 11 first ministers, the federal government and the opposition parties. Every province had until June 23, 1990 to ratify this agreement. Two provinces, Manitoba and Newfoundland, opposed it. Mr. Speaker, it was the only chance to allow Quebec to enter the Canadian federation with honour and it was refused.

Since then, Mr. Speaker, there have been many commissions and committees. There was Beaudoin–Edwards on the amending formula; the Spicer Commission which cost Canadians some $25 million; the Castonguay–Dobbie committee was set up, but we know that Mr. Castonguay resigned because, as he confirmed last week in *La Presse*, it was going nowhere. This committee was

replaced by the one chaired by Senator Beaudoin and Mrs. Dobbie. There have been regional conferences in Halifax, in Calgary and last week, in Montreal. In a week, one will be held in Vancouver, British Columbia.

The three main parties in the House of Commons asked for tonight's debate. I am sorry that the attendance is so low, Mr. Speaker, only a few members. If we took a vote tonight, the Bloc Québécois would almost have a majority in this House. That is disappointing, Mr. Speaker, in that—

[*English*]

The Acting Speaker (Mr. Paproski): The hon. member knows that he should not mention who is or who is not in the House. Committees are meeting, and members are watching it on television inside and outside the lobby. I think he knows better because he has been around here for a long time.

[*Translation*]

Mr. Rocheleau: Thank you for your comments, Mr. Speaker. To continue, we are discussing the seemingly insoluble constitutional problem tonight.

Previous speakers this evening have offered no solution, Mr. Speaker. They only admitted the failure of constitutional discussions to date. The Meech Lake accord was supposed to be the Quebec round so that Quebec could return to the Canadian federation.

Today, Mr. Speaker, with the Conservative government's 28 proposals, it is now the Canada Round which seeks to solve all the problems at one go, even though Quebec was not allowed to solve its problems honorably. For over 30 years in Quebec, since the quiet revolution—a former colleague of yours here, Jean Lesage, was a minister and was Premier of Quebec from 1960 to 1966. The theme of Jean Lesage's election campaign in 1960, Mr. Speaker, was "masters in our own house", masters of our destiny, with control over cultural, social and economic matters. We have been demanding that since 1960, Mr. Speaker. We are in 1992 and Quebec is now ready to take on its destiny, to look after its own affairs. For Quebec, looking after its own affairs is not to lower itself or English Canada but to enable both to evolve quite naturally, each in their own sphere as they see fit.

Mr. Speaker, English Canada wants power centralized in Ottawa; Quebec wants power decentralized in Quebec. It is all that, Mr. Speaker. We have gone beyond language and culture; we are now dealing with the economy and powers. The best evidence is that the Parti Québécois wants sovereignty for Quebec and an economic association with Ottawa. The Quebec Liberal Party at its convention last year adopted the Allaire report recommending that Quebec take back 22 powers but still leave a few powers in Ottawa. It is no longer a partisan political issue; it is a question of Quebecers' collective will to look after their own future. That is what it is all about, Mr. Speaker.

• (2040)

On some occasions, we have been called stupid here in this House by the Prime Minister, as my colleague from Shefford was. We asked for apologies but they were not forthcoming. We are sometimes sneered at because we represent the majority political option of Quebecers, who want sovereignty for themselves and Canada to go its own way, Mr. Speaker. We do not want to stop Canada from succeeding, but we do not want English Canada's views imposed on Quebec by Canada.

Mr. Speaker, the Beaudoin–Dobbie committee is to submit its report by the end of February. This House will surely study it. The committee will surely make some recommendations and then the House will surely come to a consensus, as happened with the Meech Lake accord, and everything will again be on the table.

Mr. Speaker, that does not work. In Quebec, we are tired of dealing with the Constitution. In Quebec, we want to deal with our political, social, cultural and economic future. We want to have the powers that will enable us to develop our regions. We are always under the absolute control of federal government policies, in the environment, vocational training and recently, education. In all these fields, nine provinces exercise control over one province.

Mr. Speaker, in conclusion, the only thing I want is to have the people of Quebec consulted next October on their future. The referendum should ask Quebecers a clear, precise, unambiguous question on sovereignty and they will decide. For the benefit of both English Canada

and Quebec, Mr. Speaker, we must from now on talk about something other than the Constitution. We must talk about jobs for our young people. We must talk about the economy, health and education. We must talk about something else because we are destroying ourselves.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I remember a phrase—

[*English*]

In English, a song *Je vous aime beaucoup*; in English, Mr. Speaker, "I love you". I think that is sort of the basic message that the people of Alberta, the people of my constituency, would have for the people of Quebec.

If I understood enough German to use a similar phrase then I would do so in the Chamber The people in my constituency and the people in the west generally have those kinds of emotional feelings for their citizens of German descent or of Asian descent. We are a nation of people who for the most part came from somewhere. If we backtrack far enough in history there are certainly theories that even our aboriginal people came from other continents and other parts of the world. That is what Canada is.

In listening to my colleague across the way who has certainly come to a different conclusion about the future of this country, I think the people in my riding would say to him: "Be cautious". I guess my own personal history and sense of family says be cautious.

My father's family came from an Irish Protestant heritage and into the province of New Brunswick years ago. Some of them wandered west and some of us are into several generations in the west now. My mother's side of the family came from Irish Catholic and into the Kingston, Ontario area and some of them wandered west. Now those genes are into the later generation.

In the meantime those who stayed behind are killing, maiming and bombing on the basis of religious differences that endured through the decades and through the centuries. Yet, as Canadians we have been able to escape the negative parts of that kind of heritage and replace them with a sense of community and a sense of communion.

If there is a message that exists in my riding from all of the sources that are available to me as a member of Parliament to gather information and to bring it to this Chamber, it is the message that we are proud of this country. This is the finest country in the world. Geographically it is huge. It is immense with potential that lasts for decades and centuries into the future in terms of natural resources and opportunity for generations yet unborn.

Culturally we are perhaps even richer. It is almost impossible to believe that there is another nation on the face of the earth that can boast in its citizenry a language spoken that is not spoken by at least one Canadian.

On my block in the city of Calgary in my constituency, the heritage of the people on that very short block on both sides of the street is enormous: eastern European, Asian, African, South American, American and several generations into Canadian. All of those are on a single block.

When I hear my colleagues across the way arguing for the notion of separation, I say: Be cautious. They have not only a tiny view of the world, a view which is too small in terms of the opportunity system for their children, but they have a view that I think the world says is impossible.

The last large experiment with the notion that you can impose a culture, you can impose a language, you can impose a political structure, was the Union of Soviet Socialist Republics and the notion of imposition had it fall apart. It has come to the notion of a federation which we have had for 125 years. We got there 125 years ago and the notion of federation has taken us to at least the second highest standard of living in the world.

They want to take some six million or seven million people in a piece of geography in North America and say: "We can impose a culture, we can impose a language, we can impose a political structure, and it will work".

In the last 13 years I have acquired some capacity in the French language. I have acquired it in the province of Quebec. I have acquired it by spending a lot of weekends in immersion. I have travelled that province. I have stayed in *auberges* and people's homes and attempted to feel what it is like.

When we get out of the politician's world and in with the people it is a world like my world in Alberta. The people are the same. They want the same kinds of things. They have the same diversity. They do not just speak French and a minority speak English in the province of Quebec; they speak Swahili, Hungarian, German, and on and on and on.

• (2050)

The notion some narrow-minded people have from that province that they can impose a single culture and a single way of thinking on some kind of unified body is a notion fraught with danger, a notion that has within it, inherent in it, failure.

If they achieve some kind of vote on some kind of referendum that says that we will separate and break up the country, and they are to experiment with that, there will be chaos. When he stood in this Chamber and said: "English Canada's views on Quebec", I have news for him. He should travel west more often, he will find out that there is no English Canada's view of anything.

There is no such animal as English Canada. There is Canada with Germans, Hungarians, Chinese, Irish and Scots. There are all kinds of heritages. If you go and live a little while in Newfoundland, a little while in Alberta and a little while in northern B.C., there are differences. The message that comes through is that it is a country full of differences.

By working together the way we have for 125 years, we are much, much more than the sum of the individual parts. To lead a group of people with their own children, to produce a tiny, artificial, impossible world for those children is really not doing them any kind of a favour.

Canadians love this country. One of the opportunities that we have had in this Chamber tonight and will have next Monday, Tuesday and Thursday is the opportunity to table a document, make sure it gets to the committee, to put a few comments on the record, to make sure that they get to the committee.

I want to table one. I have had contact in all kinds of ways with all kinds of constituents and I did put out a questionnaire. Over 1,500 people replied to it. I would like to table it and perhaps leave the Chamber with one message.

Of all of the questions we asked about the kind of Canada that the people in my riding would like to see for the future, they were not unanimous on anything. That is the strength of this nation, that we are not unanimous on anything perhaps other than the love for this country.

If we wanted some principles, three stood out. That was effective regional representation, equal provincial status and economic efficiency. Over three quarters of the people in my riding said those were three basic principles for Constitution-making in Canada.

We are about 99 per cent of the way there on all three of those and I hope this exercise in the next few months will take us the remaining 1 per cent and we will have the kind of Constitution that joins us together, makes us all feel proud for another 125 years at least.

The Acting Speaker (Mr. Paproski): There being no further members seeking the floor for debate, pursuant to order made on Wednesday, February 5, 1992 this House stands adjourned until tomorrow at ten o'clock pursuant to Standing Order 24(1).

The House adjourned at 8.53 p.m.

HOUSE OF COMMONS

Friday, February 7, 1992

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

CANADA–FINLAND INCOME TAX CONVENTION ACT, 1991

MEASURE TO ENACT

Hon. Marcel Danis (for the Minister of State (Finance and Privatization)) moved that Bill S–2, an act to implement conventions between Canada and Finland, Canada and the Czech and Slovak Federal Republic and Canada and the United Mexican States for the avoidance of double taxation with respect to income tax and the prevention of fiscal evasion and a convention between Canada and the United Mexican States for the exchange of information with respect to taxes be read the second time and referred to Legislative committee F.

He said: Madam Speaker, I am pleased on behalf of the government to begin the debate on Bill S–2, an act to implement tax conventions between Canada and Finland, Canada and Czechoslovakia, Canada and Mexico, and an exchange of information treaty with Mexico.

The purpose of this bill is to implement conventions between Canada and Finland, Canada and the Czechoslovak Federal Republic, and Canada and the United Mexican States for the avoidance of double taxation with respect to income tax and a convention between Canada and the United Mexican States for the exchange of information with respect to taxes.

The role of tax treaties is to promote international trade and facilitate international investment. The existence of tax treaties generates an air of stability for investors by providing certainty both as to the method and the rates of taxation of income flowing between two countries.

Tax treaties also seek to eliminate or alleviate double taxation of income arising from international transactions. The three tax treaties under review follow the pattern of treaties previously approved by Parliament. The major reform of Canada's income tax legislation in 1971 required Canada both to expand its network of tax treaties and to revise treaties previously concluded with other countries.

Negotiations have resulted in the conclusion of new or revised treaties with almost 75 countries. Canada now has 50 tax treaties in force. The bill before the House today represents a continuation of that process.

The rates of tax provided in a treaty cannot be increased unless the treaty itself is revised.

• (1010)

Any revision requires the agreement of the two governments and is a lengthy process. Termination of a treaty is a rare event. As an example, I would note that Canada terminated its treaty with South Africa in 1985. Both in the case of a revision of a treaty and the termination of a treaty, taxpayers are given advance notice of the changes.

Administrative benefits are also provided for taxpayers under our tax treaties. The requirement to pay tax on business profits in the country of source, that is, in the country where the profit is actually made, is eliminated unless the taxpayer has a permanent establishment in that country. A mechanism is provided under the terms of the treaty to settle various problems encountered by taxpayers both as to the interpretation and the application of the treaty.

One of the most important aspects of tax treaties is the elimination or the alleviation of double taxation. Double taxation of international transactions arises when the same income is taxed in the hands of the same person by two different countries. It generally occurs because of the difference in taxation legislation of the two countries.

This type of double taxation arises in three situation: first, where each contracting state—the two states that are involved in the particular treaty—subjects the same person to tax on a world-wide income; second, where a person is a resident of a contracting state and derives income from the other contracting state and both state imposes tax on that income; and third, where each contracting state subjects the same person, not being a resident of either contracting state, to tax on income derived from a contracting state. This may result, for instance, in a situation where a non-resident person has a permanent establishment in one contracting state through which income is derived from the other contracting state.

Tax treaties eliminate double taxation in these situations by either providing one of the states with the exclusive right to tax or by ensuring that taxes paid in one state can be used to offset taxes payable in the other state.

Treaties confer on only one of the contracting states an exclusive right to tax a number of items of income. For these items of income, double taxation is avoided since the other contracting state is prevented from taxing.

For some items of income, the right to tax is not an exclusive one. The treaties confer on the state of source a full or limited right to tax. Although the state of residence of the taxpayer may also tax these items of income, the treaty allows relief for the taxes paid to the other state so as to avoid double taxation.

I would now like to briefly indicate the main elements of these tax treaties. I will deal with the exchange of information convention later in my remarks.

These treaties provide generally that dividends may be taxed in the source country at a maximum rate of 15 per cent. However, in the case of dividends paid to a company that is resident of a contracting state, a 10 per cent rate will apply if the company receiving the dividends holds an equity interest of at least 10 per cent—25 per cent in the case of the treaty with Mexico—of the voting power of the company paying the dividends.

In the case of interest paid by a resident of one country to a resident of the other country, a general rate of 10 per cent—15 per cent in the case of Mexico—will apply. There are, however, a number of exceptions.

Interest paid in respect of a bond or similar obligation of the government, a political subdivision or local authority thereof, is exempt in the country in which it arises. Also, the three treaties contain a provision that would allow that interest paid in respect of a loan made, guaranteed or insured, or a credit extended, guaranteed or insured by a certain state entities—in Canada for example the Export Development Corporation—be taxable only in the state where the recipient of such interest resides.

With respect to royalties, the conventions provide for a general rate of 10 per cent—15 in the case of Mexico—in the source country. Copyright royalties in respect of most cultural or artistic works are generally exempt under the three treaties. In the case of Czechoslovakia and Mexico, they must be subject to tax in the state where the recipient resides in order to qualify for the exemption from taxation at source.

Some of the other matters also dealt with in these treaties include the subject of capital gains. The treaty provision dealing with capital gains reflects the standard Canadian position enabling the source country to tax gains arising on the sale of real property, business assets and shares in real estate companies.

Second, non-discrimination. Under the treaties, discrimination on the basis of nationality is prohibited, thereby ensuring nationals of a country equal treatment with nationals of the other country in the same circumstances. However, this does not prevent a country from providing fiscal incentives—for example, a small business deduction—on the basis of the residence of the taxpayer.

Third, pensions. Canada has preserved its right to tax pensions paid to residents of Czechoslovakia, Finland and Mexico. In the case of Czechoslovakia and Mexico, the maximum rate of tax applicable by a contracting state to periodic pension and annuity payments to residents of the other state is 15 per cent. In the case of Finland, the maximum rate of tax applicable to periodic pension payments is 20 per cent. Finally war veterans pensions are generally exempt from tax under the three treaties.

Fourth, double taxation relief. The treaties provide that in Canada double taxation of foreign source income of Canadian residents is alleviated by way of a foreign tax credit, in accordance with the limitations provided for in the Canadian legislation. In addition, dividends received by a company resident in Canada from the exempt surplus of its foreign affiliate resident in a treaty country are exempt from tax in Canada. Reciprocally relief from double taxation is granted in the other treaty country in accordance with a method recognized by that country.

As to the exchange of information convention with Mexico, this exchange of information convention was signed before the signature of the comprehensive double tax convention referred to previously. It is limited to the exchange of tax information between Canada and Mexico and will be used as a complement to exchange of information provisions found in the comprehensive treaty.

The exchange of information convention will assist the revenue authorities in combating tax evasion. It allows three types of exchange of information: (1) information that will be sent to the other state on a regular and automatic basis, (2) information that will be sent to the other state on a spontaneous basis when it comes to the attention of the sending state, and (3) information that is specifically requested by the other state.

The convention contains a number of safeguards intended to ensure that the information will only be provided for tax purposes and only if providing such information would not violate any law, disclose any trade secret or impose on a state the obligation to carry out measures different from its normal administrative practices.

In conclusion, Madam Speaker, equitable solutions are provided under the terms of these three tax conventions for the various problems of double taxation existing between Canada and these countries. The exchange of information convention with Mexico represents a complement to the comprehensive tax treaty with that country. Each of these countries hopes to implement the bilateral convention as soon as possible and consequently I commend this bill to the most favourable consideration of this House.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I wish to take part in this debate on Bill S–2, an act to implement conventions between Canada and Finland, Canada and the Czech and Slovak Federal Republic and Canada and the United Mexican States for the avoidance of double taxation with respect to income tax and the prevention of fiscal evasion and a convention between Canada and the United Mexican States for the exchange of information with respect to taxes.

You can understand that, with such a title, this bill is hard to read and understand. Reading the four conventions attached to this bill is a difficult exercise for a member of this House.

[*English*]

As a lawyer, even I find the words extremely difficult.

However, the purpose of this bill, which is to avoid double taxation and to prevent fiscal evasion, that is evasion of taxes between the countries that are signatories to the various conventions, is a worth–while one. As the parliamentary secretary has stated, there are 50 such conventions in force at the present time. This act will bring into place three more that deal with those two issues and the additional one with Mexico to provide for the exchange of information.

• (1020)

If I may say, Madam Speaker, when I was practising law on a regular basis, I occasionally had some dealings with these conventions and their application in respect of the Income Tax Act of Canada. I note, as the parliamentary secretary I think stated, these conventions take precedence over the Income Tax Act. The bill before us ensures that in one of its provisions. In other words, where there is a conflict between the Income Tax Act and the convention, the convention takes precedence.

Obviously our main convention is with the United States. It is the one most frequently dealt with in this country by tax experts. I may say that I was not a tax expert. In reading the U.S. convention and trying to decide how it took precedence over the Income Tax Act and over which section is always a bit of a conundrum. Usually I end up relying on advice from the Department of National Revenue. I can only hope that advice was always correct. After all, they are the ones who interpret

the act for their own purposes. They are the ones also involved in it on a regular basis and presumably know how it would be applied.

One of my partners, Mr. David Bonham, who is an expert, can cite the Canada–U.S. tax treaty chapter and verse, but I never had such facility with the technical language of the treaty, let alone the technical language of the Income Tax Act, which is even worse, as most people who have had any dealings with it can attest.

However, in dealing with this bill, I suggest the proper course is to have the bill referred to a legislative committee where it can receive the detailed study that it deserves to ensure that the words of the act are sufficient to bring the treaties into full force and also to review the treaties to see that they are in accordance with past practices in this regard.

I note that in the material provided to us to assist in dealing with this bill, it is stated that the treaties are generally patterned on the model *Double Taxation Convention* prepared by the Organization for Economic Co-operation and Development. The committee will want to ensure that is the case in the course of its deliberations.

I notice also that the treaties were signed by the Minister of National Revenue, the Minister of Finance and now the minister of fisheries. I assume they were signed at different times when those ministers occupied various other portfolios. I can imagine that the ministers spent a great deal of time negotiating these important treaties and making sure the words were entirely satisfactory for Canada. Perhaps if they had spent a little more time here, we would not be in the fiscal mess that we are in this country today. Anyway, I am sure the parliamentary secretary will speak to them in that regard and encourage them to devote their efforts to fixing up the fiscal mess in Canada rather than dealing necessarily with these treaties, helpful as they may be.

However, Canadian taxpayers ultimately should be the beneficiary under these arrangements, especially those taxpayers who have assets in foreign countries and are subject to taxation there because it will provide for the avoidance of double taxation on their incomes derived from those places and will also assist the Canadian government, on the other hand, in ensuring that taxes are paid by those who are earning foreign income and may wish to avoid payment on it for various reasons.

Perhaps we are all the net beneficiaries as a result of these treaties. The committee will want to look into it. We are pleased to (a) support the bill and (b) assist in ensuring its swift passage in order that the detailed consideration it deserves can be forthcoming. I am sure the bill will be reported back to the House and dealt with at third reading in due course.

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, it is quite common for these bills with respect to tax treaties between Canada and other countries to come up in the House, to be treated rather briefly, have them go to committee, have them come back and be passed. I think that is appropriate because they generally are not matters of contention between the parties. There is a standard procedure that exists between some countries and that we hope will come to exist between Canada and all countries, that these kinds of understandings be reached and be enshrined in legislation. This is a special one. I am not saying that we are going to obstruct it in any significant way. We too want to see it go to committee quickly, have it looked at and sent back. We do not intend to vote against the bill, but we do intend to use this opportunity just for a little while to talk about the relationship between Canada and one of the countries to which this bill applies. That is, of course, the relationship between Canada and Mexico.

This bill provides for an exchange of information with respect to taxes between Canada and Mexico. I am sure the government will argue that this exchange of information with respect to taxes is simply a matter of obtaining the information that is necessary in order to draft the appropriate regulations pursuant to the legislation.

We also think that this question of exchange of information between Canada and Mexico could be related or preparatory in some way for the North American Free Trade Agreement which the government would like to sign with the United States and Mexico. At the very least, we would like to argue that there has not been enough exchange of information about Canada–Mexico relations here in this House, never mind between Canada and Mexico.

Just this very week the hon. member for Esquimalt—Juan de Fuca wanted the Minister of State for Small Businesses, or for that matter the Minister for International Trade, to table in this House documents which are

reported to be available to Mexican politicians with respect to the negotiations going on now between Canada, the United States and Mexico. We were not able to obtain that document. We have had further proof since that these so-called draft agreements actually exist and that Mexican senators have had access to these draft agreements. Yet, we here in the Canadian House of Commons, on the other side of the negotiations, are still left in the dark. We cannot see these agreements. We do not have any idea what these agreements contain. We are left to speculate as to what is actually in these draft agreements.

I am sure the hon. member for Esquimalt—Juan de Fuca, whom I see in the House, will have more to say about the details of these particular documents, how we know that they exist and why the government refuses so far to bring us into the light on this so that Canadian members of Parliament can know what Mexican members of Parliament know about the current state of the negotiations.

Mr. McCreath: Point of order, Madam Speaker.

I know my hon. friend has a very sincere and deep interest in the subject of free trade negotiations in North America and the Canada-Mexico-U.S. trade negotiations. I would hope and expect that in due course there would be an opportunity for the House to debate those issues. However, I would respectfully suggest that is not the issue on the floor today. The issue today is a tax treaty similar to 50 other tax treaties, none of which have led to free trade agreements.

I would respectfully suggest that the subject of trade negotiations between Canada and Mexico or Canada and anybody else has nothing to do with the debate before the House today.

Madam Deputy Speaker: The subject of relevancy is probably one of the most difficult things the House asks its Speaker to deal with. I understand what the hon. member is saying. I have read the bill and I have listened to the hon. member for Winnipeg Transcona very carefully. At this point, there is a definite link between the bill in front of us and what the hon. member has been talking about.

• (1030)

I will keep on listening very carefully. I agree with the hon. member that this should not turn into a debate on the good and the bad things about a possible North American trade deal, but I can understand the hon. member making some references to it when reading the bill.

I will make sure that all hon. members who will be talking about it will carefully be choosing their words when talking about the bill that is now in front of the House. I would not want to have to say this every 10 minutes during the discussion of this bill. Let us be very serious about it, let us be relevant and let us debate.

Mr. Blaikie: Madam Speaker, I certainly will do my best to stay within the parameters that you have outlined, but obviously, as you say yourself, if we are talking about Canada-Mexico relations, what could be more apropos than a major development in Canada-Mexico relations which is just around the corner.

The government wants us to just sort of casually let go here in the House today this bill which sets up one stage of this new relationship with Mexico, which may or may not be integral to the next stage. Nevertheless, it does talk about, as I said before, exchange of information. We are saying that it is nice to have an exchange of information between Canada and Mexico with respect to taxes, but why do we not have an exchange of information between the government and the opposition here in Canada about what is going on in this other dimension of the Canada-Mexico relations which is, of course, the negotiations having to do with the North American free trade agreement.

We are talking here of process, not substance. I could go on and on, but out of respect for the rules of the House, I would not go on and on about the matter of substance having to do with the advisability of a North American free trade agreement. I happen to think it would be a disaster, but I would not do that because I want to stick to process and to what is actually going on between Canada and Mexico that is being kept from Canadian members of Parliament when we know, thanks to information obtained by the member for Esquimalt—Juan de Fuca, that Mexican senators have access to this kind of information.

We say to the government: Would this not have been a wonderful opportunity for the government in speaking to us today to have also brought us onboard with respect to other aspects of the Canada-Mexico relationships? That was not done.

I noticed that my colleagues to the right, the members of the Liberal Party, did not seize this opportunity. It is not surprising to me that they would not want to talk about the North American free trade agreement because they could not agree among themselves what they would want to say about it, whether it had to do with process or substance. The fact of the matter is that they are for it. Their member on the committee who was considering this issue did his own minority report because he could not bring himself to take the position that the NDP was taking.

When Canadians have a good look at what has been said in the last little while and what will be said, they will know if they are concerned about the North American free trade agreement that it is to the NDP they will have to look for real and honest and trustworthy opposition to that.

That is not what I primarily wanted to talk about today, that is to say I did not want to talk just about the Liberals because again you might call me into question with respect to relevance, Madam Speaker.

An hon. member: And they are not relevant.

Mr. Blaikie: And the Liberals are not relevant. I would understand if you would try to rule me out of order because I was talking about people who are irrelevant. I would hope that someone on the government side might use this opportunity because we have asked questions in the House on this issue and may ask them again. Get up. Now is the time. We have a debate now on Canada-Mexico relations. Someone on the government side of the House—the Minister for International Trade, the Minister of State for Small Businesses and Tourism or whoever knows what is going on—can use this opportunity to bring Canadian members of Parliament up to speed about what is going on and tell us what Mexican politicians already know.

Or is there something to hide? It would certainly seem to us, according to documents which have been obtained by Southam through access to information and other background papers prepared by the government, that Canada stands to lose a lot in our upcoming treaty, so to speak, with Mexico.

When this bill goes to committee I am sure it will be treated in the manner which other bills like it have been treated. However, while we are on the floor of the House, why does the government not take the opportunity to bring us up to scratch on what is going on in the Canada-Mexico negotiations? Also, why do the Liberals not take the opportunity to explain to the Canadian people where they stand on the North American free trade agreement? These people were in the fight of their life in 1988 over the free trade agreement but now seem to be in the stupor of their life with respect to the North American free trade agreement, which will be even worse.

I could perhaps conclude by repeating what I said in the House the other day. This country is bleeding to death as a result of the GST and the free trade agreement. What the government has in mind for us with respect to our new relationship with Mexico is not to apply the needed tourniquet but to finally slash our throats, finish the job and do away with Canada as we have known it in any significant respect.

I think that we have done a service to the debate on this particular issue by using this bill as an opportunity to give the government and the Liberals, who are of a piece on this issue, the opportunity to say where they stand.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Madam Speaker, I certainly respect your ruling on my earlier point of order. I am not greatly surprised that my hon. friends opposite would wish to avail themselves of the opportunity resulting from the word Mexico to engage themselves in discussions perhaps a little more far ranging than this bill.

I know it is not my hon. friend's intention to in any way mislead the House. Therefore, I do want to correct one impression that he might have left with some hon. members. That is, that the exchange of information convention has anything whatsoever to do with any other negotiations that may be going on between Canada and Mexico. In fact, it is quite common within tax treaty provisions to have this type of exchange of information

provision dealing exclusively with assisting, in our case, Revenue Canada in dealing with tax evaders.

In the case of the negotiations with Mexico, the Mexicans have been reluctant to engage in tax treaties with anybody. In fact, these negotiations and the treaty with Mexico included within this bill are a result of 15 years of negotiations. After 13 years the Mexicans agreed at the very least to enter into a convention relating to exchanging information to nail down tax evaders. Now they came on side and decided to enter into an agreement in the normal fashion. Therefore, the subsequent agreement, the tax treaty, was signed as well.

I want to assure my hon. friend that the tax treaty in substance, including the exchange of information convention, is substantially no different from the 50 others Canada has signed with countries all around the world.

Mr. Blaikie: Madam Speaker, the hon. member wants to assure me, and I take him at his word, that is what he understands the situation to be. Would it not be a lot easier for all of us to believe what he is telling us if we knew more about the actual negotiations going on between Canada and Mexico? As a result of the fact that we seem to be systematically kept in the dark about what is actually going on, I do not think we would be doing our job if we were not at least a little bit suspicious.

If the government wants to take the opportunity we have offered it this morning by prolonging this debate a little to give us a bigger and more detailed picture of what is actually going on in the Canada–Mexico negotiations, and in so doing reinforce the view the hon. member just stated, all the better.

• (1040)

We will wait and see whether that opportunity is seized. I think we have good reason to be concerned. I asked the Minister for International Trade, when he was the Minister of Finance, many questions in this House about taxes, about which this treaty concerns itself. Many times he got up and refuted the many suggestions I made about the real alternatives to the GST by saying that we have to maintain what the minister calls tax competitiveness.

My fear is that in an exchange of information about taxes with Mexico the Minister for International Trade might get it in his head that we want to be tax competitive with Mexico, because obviously this notion of competitiveness is loaded. It is loaded with the notion that we somehow have to become like the nations we trade with in terms of our tax policy, our social policy and many other things. That is one of the great concerns those of us critical of the FTA, and now the North American free trade agreement, have.

These things are related whether the hon. member likes to think so or not. I agree that it would be much tidier if we could all just say that Bill S–2 really does not have anything to do with this.

The fact is that tax competitiveness, exchange of information, and the fact that Mexican politicians have a lot more information than we do about a variety of things pertaining to the Canadian–Mexican relationship are real issues, and the government should take the opportunity to deal with them.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, when the member of the New Democratic Party began his debate I really thought he was sincere in trying to link the tax preferences hidden in international treaties to a reason we should be concerned.

My colleague from Newfoundland gave a beautiful example yesterday in which the Canadian taxpayer lost close to a billion dollars because of a loophole going back to 1971. However he then went off topic and started to talk about this virtue only the NDP has in terms of its concerns for the welfare of the people of Canada, specifically getting them back to work.

I want to inform the hon. member that in the province of Ontario in the last year members of the New Democratic Party systematically worked to sabotage Canada's bid for the Olympic Games, which would have created thousands and thousands of jobs in the greater metropolitan Toronto area, not to mention the tourism opportunity.

In the last year foreign investment in the province of Ontario is down 50 per cent. Therefore, when he starts throwing cheap shots in this House at both the government and the Liberal Party, he should examine his own creative process and the damage the NDP has done in the province of Ontario.

In one year it has managed to double the number of people on welfare in Toronto, which was at one time the great economic engine of this country. In the greater metropolitan area there are now over 350,000 people unemployed.

I have absolutely no problem with the hon. member if he really wants to deal with the substance of the bill and discuss how treaties with countries like Mexico might lead to a situation in which Ontario, never mind Canada, could be turned into another Mexico. I have no problem if he was really sincere. However, his actions and those of his party in the province of Ontario demonstrate just the opposite.

In talking about relevance, he tried to link this to job creation. However, he should take that same passion and that same energy to the NDP premier in the province of Ontario and try to give him some ideas about how to once again rekindle an image which would attract foreign investment, attract orders to Canada, and fill our factories so that our people could get back to work.

Yesterday, when the New Democratic leader talked about the $30 billion being spent on welfare and UI which should be put into productive capacity, I agreed with her totally. She was being constructive. However, the member from Winnipeg is forgetting that his book needs to be revised to be constructive.

Mr. Blaikie: Madam Speaker, we had a debate about relevance earlier but the hon. member has really pushed the limits by trying to relate the Olympics to the debate we are having today. That does not surprise me, considering the source. To be lectured by a Liberal on the virtues of sincerity is a bit like being lectured by a skunk on the virtues of air fresheners.

The member has studiously ignored taking the opportunity I offered the government and the Liberal Party to say anything about the Liberal Party's position on the North American free trade agreement, which was what I was talking about. The fact that he did not say a word about it speaks volumes. The silence of the Liberal Party on the North American free trade agreement speaks volumes to those Canadians who want to know in the next election whon they can trust to really be against the Canada-U.S. Free Trade Agreement and the North American free trade agreement. The silence of the member for Broadview—Greenwood speaks volumes to those Canadians about whom they can actually trust on this issue. He just showed us where they stand. They have no stand at all.

Mr. Mills: The hon. member talked talk about hypocrisy in this House. This Speaker knows that I campaigned against the free trade agreement. In my first speech in this House I talked about the free trade agreement. You referred to the member for Broadview—Greenwood, it is absolutely clear where I stood on the free trade agreement. I am opposed to it, my leader said he would rip it up. What more do you need?

An hon. member: Where does the Liberal Party stand?

Madam Deputy Speaker: There are only 45 seconds left in the question and comment period. Does the hon. member for Lethbridge want to use a few of them or is he rising on debate?

Mr. Thacker: I just wanted to comment. I have not been to the House for some time and I am sorry to see that the lovers are quarrelling over there.

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, I am surprised that the NDP did not talk at all about our tax system, how it applies to the very big business community, and the fairness or unfairness of it, because that is the subject under debate in this particular bill.

It is a very important piece of legislation. It is so important that it should be perhaps the main subject of debate in this House of Commons. We have just introduced the GST. We have just increased taxes in Canada. We have just said to all Canadians that they have to tighten their belts. Yet, operating in our Income Tax Act, our taxation policies and agreements, we have taxes and systems of write-offs which say today that Gulf Canada can pull out of Hibernia on the east coast of Canada, can pull out and leave $370 million spent, draw out of the agreement, not get any money back directly—

Mr. McCreath: On a point of order, Madam Speaker. I wonder if the hon. member could explain whether his remarks relate to the tax treaty with Finland, Czechoslovakia or Mexico.

Madam Deputy Speaker: If the hon. member will show a little bit of patience we will get there.

Mr. Baker: I can tell the hon. member that my remarks relate to the tax treaty with Siberia, where Gulf is going to spend its money.

An hon. member: The taxpayers' money.

• (1050)

Mr. Baker: My remarks relate to the tax treaty with Burma where Petro-Canada is going to spend its money. My remarks relate to the fact that those two companies have just pulled out of Canadian operations, have just announced lay-offs in Canada. In preference for what? To spend money in Burma for oil development and spend money in Siberia for oil development.

I am talking about these tax treaties and our Income Tax Act which say that these companies get every cent spent in those foreign nations back on their taxable income as a deduction here in this country, every single penny spent. Imagine if every Canadian had that kind of a deal. Imagine, every penny spent by a Canadian company in Burma for an oil development will be returned to the company as a deduction from its taxable income.

The system operates like this. In the income tax return of an oil company, for example, as we see in this treaty today there is a deduction called—and let us be fair about this, there are deductions for Canadian development of oil, gas and mines, there are deductions for Canadian exploration—"foreign exploration and development".

This is the way it works. A company can take from its taxable income in Canada 10 per cent of what it invested in a foreign nation or the profits it made in a foreign nation from oil and gas development, either one, until 100 per cent is recovered. Of course the same thing applies to Canada, does it not? Gulf, in pulling out of Hibernia and being committed to 243 more days of payments into the project though it is no longer there, can get back the $370 million it spent because 100 per cent of its investment can be taken from its taxable income regardless of whether it is in Canada or a foreign nation.

I looked at this bill today. The hon. parliamentary secretary stood in the House and said: "They are all the same". Well, they are not all the same. All of the 50 other tax arrangements he mentioned are not all the same. This agreement with Finland he just asked me about a few moments ago has a section which says this: "Earnings means the profits after deducting therefrom $500,000 Canadian". Madam Speaker, do you know what that is? That is the deduction on capital gains. It was introduced a few years ago. It is in this bill as it applies to profits and gains. The policy of the Government of Canada is that it is only $100,000 now but if they invest in Finland it is $500,000.

That is not in the agreement with Czechoslovakia or Mexico. The hon. parliamentary secretary said: "Oh, just look at it. Just pass it all. It is all the same". It is not all the same at all. However, I will tell you what is the same.

The rationale for allowing an oil and gas company under our income tax laws, not any other company investing in foreign nations, to be able to deduct the money it spends in a foreign nation is—and the tax department and the tax experts in Revenue Canada will tell you this, they told it to me a hundred times because I have argued with them— if you do not allow a company to deduct all of its expenses overseas it will pull up its roots in Canada and will set up an establishment in that foreign country. That foreign country will then tax its profits, not the Canadian government.

All one needs to do is look at any of these conventions. What do you see? You see a description of where the company pays its taxes. Does it pay it here if it invests in Siberia as Gulf Canada is doing? Does it pay its taxes on its profits here in Canada if it is investing in Burma as Petro-Canada is doing after it closed down a thousand service stations the other day?

The law and the income tax department are pretty difficult things to get around. It spells it out pretty clearly, and I want to put it on the record because it destroys the argument used by Revenue Canada. It destroys the argument used by the Government of Canada that you need to give a 100 per cent write-off for investing in a foreign nation.

Companies are taxed on the basis of which state is the contracting one. In other words, a Canadian company investing in Siberia would be considered to be the contracting state. It says: "By reason of domicile or residence or place of management". Then it says: "Supposing there is a residence in both countries", and then: "A permanent home will be the criteria".

What if there is a permanent home in both countries? Then it will be determined by your personal and economic relations, wherever that takes place; in other words, under law, the centre of vital interest.

What if the business proves it has personal and economic relations in both of those countries? Then it boils down to where it is a national. If it is a national in

both countries then it is up to negotiations between the states.

In other words, this argument that somebody, a company or a business, can just set up an office in Siberia or set one up in Burma because it is pulling out of Hibernia, off the coast of Newfoundland, and pay taxes in that country is a complete and utter fallacy. It is a complete and utter fallacy.

It is an argument put forward by people who say and who believe that certain people should not pay taxes. If you are big enough, if you are rich enough, if you are influential enough, if you lobby enough, if you can afford the big guys then you should not pay taxes.

That is the system promoted by this bill. Did you notice what the tax on dividends is? You know what it is? It can only go up to 10 per cent.

Madam Speaker, I understand you are getting ready to cut me off.

Madam Deputy Speaker: Unfortunately I will have to. The hon. member will want to use the time remaining after Question Period.

[*Translation*]

It being eleven o'clock, pursuant to Standing Order 30(5) the House will now proceed to Statements by Members, pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

SRI LANKA

Mr. Peter L. McCreath (South Shore): Madam Speaker, on January 26, I arrived in the town of Batticaloa in the eastern province of Sri Lanka to be met by an elderly man who presented me with a letter neatly typed in English on an old piece of paper. In the letter the man asked me to help find his son who had disappeared some 18 months ago.

I was in Sri Lanka on a human rights fact finding mission with a group of distinguished Canadians, including my hon. colleagues from Nepean and Burnaby—Kingsway.

Little did I know that that man's letter would be the first of 261 personal submissions I would receive from people whose sons, daughters or spouses have simply disappeared.

The peace committee in Batticaloa has documented 3,418 such disappearances since June 1990.

We concluded that a tragedy of appalling proportion is occurring in Sri Lanka and frankly the government and the insurgent LTTE are equally to blame.

Only third party intervention will stop the killing and hopefully lead to a negotiated settlement. I urge the Government of Canada to show leadership through the United Nations, the Commonwealth or, better still, the—

Madam Deputy Speaker: The hon. member for Nepean.

* * *

SRI LANKA

Mrs. Beryl Gaffney (Nepean): Madam Speaker, Sri Lanka, incredibly beautiful with enormous potential, is being decimated by an ethnic conflict between the state and the Liberation Tigers of Tamil Elam.

There are human rights violations on both sides of the conflict: kidnapping, massacres, individuals held for ransom, forced removal of Muslim population and arbitrary detention.

There is a climate of distrust, fear and repression throughout the country. Media is state controlled. Two hundred and fifty thousand people live in refugee camps. Every young male Tamil is in fear of persecution. Women and children are without proper food and health supplies.

Canada must take a lead position at the United Nations. Canada must ensure there is a complete embargo on all arms exports to Sri Lanka and must call on the international community to do likewise.

Canada should press the Sri Lankan government and the LTTE through the international community to agree to an immediate cease-fire. Canada should suspend the part of Canadian development assistance that is channelled through the Sri Lankan government. These funds should be reallocated to other programs in Sri Lanka.

[*Translation*]

OLYMPIC GAMES

Mr. Jean-Marc Robitaille (Terrebonne): Madam Speaker, I would like to draw the attention of the House today to the fact that this is the eve of the opening ceremonies for the XVI Winter Olympic Games in Albertville, France, and that 145 Canadians are eager to take part in the competitions under the watchful eyes of the whole world.

I take this opportunity to ask hon. members to pay tribute today to the men and women of this wonderful country who have trained and sacrificed their time and leisure so generously in order to represent Canada with great distinction and unshakeable determination at these games.

As Pierre de Coubertin, the founder of the modern Olympic Games, said in 1936, the important thing about the Olympics is not so much winning but rather taking part in them.

Let us extend to our athletes our best wishes for success in France and let them know that we look forward to their return to honour them for participating in the Olympic Games.

Good luck to all our athletes.

* * *

[*English*]

OLYMPIC GAMES

Mr. Bob Kilger (Stormont—Dundas): Madam Speaker, the XVI Winter Olympic Games will begin tomorrow in Albertville, France. From February 8 to 23, athletes from around the world will be competing for the gold in the spirit of universal friendship and fair play which symbolizes the Olympics.

[*Translation*]

Our country will be represented by about 240 Canadian men and women, the elite of our athletes, our coaches and our administrative support staff. Our athletes have worked very hard in their respective disciplines to earn a place on Canada's Olympic team. They certainly deserve our admiration and our respect for their talent and their dedication to amateur sport.

I know that all members of this House join me in wishing our athletes the greatest possible success. May they turn in the best performance ever for Canada at the Winter Olympic Games.

Good luck to our athletes.

* * *

[*English*]

SRI LANKA

Mr. Svend J. Robinson (Burnaby—Kingsway): Madam Speaker, I join with my colleagues from South Shore and Nepean in urging the Government of Canada to play a leadership role to help bring to an end the tragedy which is occurring in Sri Lanka.

There have been literally tens of thousands of deaths, of disappearances, of individuals who are victims of torture, murder and disappearance.

The human rights delegation, led by the very distinguished Dr. Lois Wilson, made a number of recommendations both to the Government of Canada and internationally.

I would note that today in Paris, the Sri Lanka donors consortium is meeting. I hope that Canada will play a lead in ensuring that there is a direct linkage between development assistance, other financial support and a clear timetable by the Government of Sri Lanka for improvements in the human rights situation and, as well, mechanisms for monitoring the human rights situation in Sri Lanka by the donor community. The cycle of violence must end. All deaths must be condemned. Jaffna and the north must be allowed to have the desperately needed food, medicine and fuel that they—

Madam Deputy Speaker: The hon. member for Don Valley East.

* * *

BUY CANADIAN

Hon. Alan Redway (Don Valley East): Madam Speaker, while some companies are closing Canadian plants and shifting production abroad, others are moving product lines from foreign countries to Canada.

Some of these good Canadian corporate citizens include Upjohn, Christie Brown, Canadian Thermos Products, 3M, Xerox, Proctor & Gamble, General Foods,

Rubbermaid, Stanley Tools, GTE Sylvania, Dow Chemical and Dupont.

If we are concerned about plant closings and manufacturing job losses, we should be buying the products of these good Canadian corporate citizens, buying Canadian.

The government should be helping us by identifying Canadian products and initiating a buy Canadian campaign. What better way can we celebrate Canada's 125th birthday.

* * *

HIBERNIA

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): On Tuesday of this week, February 4, Gulf Oil Canada announced its required eight-month notice that it was withdrawing from the Hibernia offshore megaproject.

The remaining three consortium members, Mobil Oil, Petro-Canada and Chevron, together with the federal government, have vowed that the project will go ahead as scheduled and remain within the budget.

The next eight months will be critical to the future of Hibernia. Despite the announcement of business as usual, I have become aware that Gulf's announcement has added a great deal of uncertainty regarding Hibernia's development and has the considerable potential of dampening future business opportunities in Newfoundland and in Canada.

I therefore urge the government to quickly negotiate a deal for a new buyer and in the meantime develop a worst case scenario that will be a contingency if a buyer cannot be found and the other consortium members cannot afford to split the annual expenditures. The crunch date is October 5 of this year.

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[*Translation*]

MEMBER FOR SHEFFORD

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, last night in this House, the separatist Bloc Quebecois member for Shefford spoke about the $400 billion national debt. He has a short memory. He forgot that he was a minister in the Liberal cabinet in 1983-84 and that he and his party left a national debt of $206 billion in September 1984. Compound interest of over $238 billion has been added to this Liberal debt since 1984-85, for a grand total of $444 billion.

Today this member is shocked about this national debt. Could he also have forgotten the famous Liberal scandal of the century in 1983-84: $3.9 billion in scientific research tax credits when he was a cabinet minister in the Liberal government? Madam Speaker, that is the heritage which this separatist member of the Bloc Quebecois has left to our children and the people of Canada and Quebec.

* * *

[*English*]

HEALTH CARE

Mr. Jim Karpoff (Surrey North): Americans spend $2,600 per person or 12 per cent of their GNP for health care. Canadians spend only $1,900 per person or 9 per cent of their GNP. Yet, despite spending 30 per cent more, 34 million Americans have no health coverage and 50 million more have inadequate health coverage.

So who has the better health care system? Is it the Canadian who can go to a hospital or a doctor's office and get immediate treatment without fear of financial ruin, or is it the Americans that have to negotiate with an insurance company for coverage they hope they can afford, wait for a few available low-standard spaces in public facilities or face financial ruin?

George Bush has joined an organized U.S. attack on our system by insurance companies, organized medicine and private hospitals because they want to maintain the U.S. system in order to maintain their high profits. They do not like the Canadian system because it is successful and is a powerful example to Americans.

I want to congratulate the Minister of National Health and Welfare for responding to these ill-advised attacks. However, he will truly defend Canadian medicare when he reverses the $64 billion in spending cuts his government has targeted.

* * *

PENSIONS

Mrs. Sheila Finestone (Mount Royal): Hundreds of seniors in my riding and across Canada have a message for the Prime Minister's 75-cent cost of living increase in their monthly pension cheques: Thanks a whole lot for nothing.

Seniors are calling my riding office saying this increase is a slap in the face and is quite insulting. Does the Prime Minister not realize that 75 cents will not buy a litre of milk or a loaf of bread any more? Does he not realize that 75 cents hardly covers the cost of a $10 purchase?

Why doesn't the Prime Minister or his Minister of National Health and Welfare remove the partial deindexation on seniors' pensions and remember that living on tea and toast may not be a problem for some seniors, but it is reality for thousands of others in this country. Another 75 cents sure doesn't help.

* * *

• (1110)

WHITE CANE WEEK

Mr. Bob Corbett (Fundy—Royal): Madam Speaker, I would like to draw the attention of the House to the fact that this week is designated White Cane Week. Organized and promoted by the Canadian National Institute for the Blind, the purpose of the week is to make all Canadians aware of the very special challenges faced by blind and visually impaired persons in our society.

The first White Cane Week grew out of the experiences of a small group of blind people who had discovered that the public generally did not understand the meaning of the white cane as a symbol of blindness. That was in 1946. Every year since then, the first week of February has been dedicated to White Cane Week.

This year's theme for White Cane Week is access to information. It is important that the public understand that blindness and severe visual impairment represent a major depravation of information about the environment that affects many aspects of daily life, including reading a newspaper, managing your home and travelling in your neighbourhood.

The CNIB and volunteers are to be congratulated for their contribution and commitment.

S. O. 31

EXTERNAL AFFAIRS

Mr. George S. Rideout (Moncton): Madam Speaker, I am sure you realize that two Canadians are languishing in a Brazilian jail, sentenced to 28 years for a crime that they may not have committed.

There is an answer and we can solve their problem. But the Secretary of State for External Affairs continues to drag her feet, refusing to initiate procedures which could see these two, Mr. Spencer and Ms. Lamont, return to Canada and to their families. Now we are told that the Brazilian government is anxious to accede to a request from Canada and that it would do everything that was necessary to see these two expelled from Brazil.

The families and Canadians cannot understand why the minister is delaying. Why the reticence? Why did the minister undertake to have an answer in January and why has she not yet delivered that answer? Why will the minister not help Canadians, Canadians in need of our help? It would be so easy for the minister to request the Brazilian government to expel these two Canadians and see them come home. Why?

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DUCKS UNLIMITED

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, the Oldman River dam decision should now finally prompt the Minister of the Environment to do the right thing concerning the Ducks Unlimited office complex presently being constructed in the Oak Hammock marsh wildlife management area in Manitoba.

Oak Hammock Marsh is a Manitoba heritage marsh and an international RAMSAR site, and yet Ducks Unlimited has been able to proceed without an adequate environmental impact assessment. The federal government, given its responsibilities under the Migratory Birds Act, should not have let this be dealt with only through the Western Economic Diversification Office which proceeded on the basis of a sweetheart evaluation from the Canadian Wildlife Service.

The Friends of Oak Hammock Marsh request an independent, non-governmental panel, as the law requires, the cessation of funding until the process is

complete and the enforcement of the current guideline orders.

I used to think well of the work that Ducks Unlimited did, but it has brought shame on itself and on the wildlife community through this hare-brained scheme of theirs at Oak Hammock marsh.

* * *

WINE INDUSTRY

Mr. Al Horning (Okanagan Centre): Madam Speaker, many of us will recall the predictions in 1988 of the demise of the British Columbia wine industry should free trade ever happen. Instead of the industry being devastated, the complete opposite has happened.

Through an aggressive marketing plan and emphasis on a much stricter quality control, the wine industry is expanding in leaps and bounds. Increased sales in many B.C. wineries have skyrocketed to as high as 496 per cent for Calona wines. These are extraordinary increases. On top of these astounding sales figures, at a recent international wine tasting of 15 Pinot Blancs, the top three places went to B.C. products. First was the Calona Wines 1988 vintage, second Sumac Ridge 1989 vintage, third Grey Monk 1989 vintage.

The new symbol VQA has become a symbol of excellence and I am sure I join all of you in congratulating these B.C. wineries for an outstanding achievement.

ORAL QUESTION PERIOD

[*English*]

UNEMPLOYMENT

Hon. Herb Gray (Windsor West): Madam Speaker, my question is for the Minister of Finance. After remaining at an unacceptably high level of 10.3 per cent for three months in a row, today we learn that unemployment actually increased in January to 10.4 per cent. This means that 70,000 more people were looking for work in January than at the same time last year.

I want to ask the minister this: If his economic policies are the right ones, why is unemployment going up and not down? If those policies are so great, where is the recovery?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, of course I am deeply concerned about the increase in the unemployment levels. It is a modest increase in unemployment. However, I recognize the serious difficulties that this imposes upon all Canadians but particularly those who are looking for jobs.

As I have said before, there are no quick fixes to the problems we face. It is part of a world-wide situation. Growth in the industrialized countries has faltered, particularly in the United States. We are endeavouring to put in place the fundamentals that will provide for sustained growth and price stability. In the meantime, we are attempting to look at specific sectors that require attention, such as the agricultural industry.

I remind the hon. member that in this fiscal year we put $5.8 billion into the agricultural sector; transportation, which is experiencing serious difficulties, received a $200 million package; the de Havilland assistance package that was put together with the co-operation of the Government of Ontario; the equalization changes which will also help the less wealthy provinces. We are attempting to address the serious sectoral difficulties within our fiscal means. That is the policy of the government.

Hon. Herb Gray (Windsor West): Madam Speaker, the minister compares us with the United States. Why does he not recognize that our unemployment rate is much, much higher than that of the United States and due to the policies of this government. Those policies are creating misery and not recovery for thousands of Canadians. The government's policies are not working and that is why Canadians are not working either.

A few days ago we learned that the help wanted index was down. We learned that bankruptcies last year were at record levels. Thousands of people are losing their jobs through plant and store closings and lay-offs. Every day we learn of another one. The figures out today do not even begin to take into account the thousands of jobs to be lost in the lay-offs at places like Esso and the Stone Paper Mill in New Brunswick that were announced just earlier this week.

I ask the minister: Does this not prove we need an urgent economic recovery plan beyond anything the government has done so far? I ask the minister and the government to come to their senses and put into effect a new total economic recovery plan without any further delay.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member will recognize that the adjustment process, the restructuring that the Canadian industry is undergoing, the downsizing, the consolidation, the changes in the way in which the industrial sector is doing business in order to improve their competitive position is really one of the pressures that has added to the difficulties of the recession.

While the hon. member suggests that the United States has a better unemployment rate, I remind him that at the same time I think he will find that our participation rate in the labour force is higher than the United States. As well, I should point out that notwithstanding the fact that the help wanted index has not improved, I am informed that 76 occupations accounting for 23 per cent of total employment experienced annual growth rates above 2 per cent between 1989 and 1991 and 18 occupations accounting for 3.7 per cent of the total employment experienced annual growth rates above 4 per cent during this period.

What that tells me is that it is important to engage in the skills upgrading, the training programs and the retraining programs. That is why we are increasing that training budget from $3.1 billion to $3.4 billion and the labour development program from $1.4 billion to $1.8 billion. Those are important elements that will address this difficulty to which the hon. member refers.

• (1120)

Hon. Herb Gray (Windsor West): Madam Speaker, the minister in his answer talks of the economy downsizing. Canadians say that the economy should not be downsizing; it should be growing. With answers like that the government's rate of support in the public opinion polls is soon going to be below the rate of unemployment. It is probably there already.

[*Translation*]

Madam Speaker, the unemployment rate is still rising and soon it will pass the government's share of support in the polls. Canadians are looking for work and they need more action from the government.

When will the minister present a new total action plan for a real economic recovery?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not want to be indifferent to the hon. member but, in fairness, nine years ago when he was over here on the Treasury benches the unemployment rate in Canada was 12.6 per cent and he certainly was not pushing the panic button then. That was certainly too high then and 10.4 is too high today.

As I indicated to him, I am in the process of completing my pre-budget consultations. I have met and discussed the economic situation widely with Canadians across the country. We will be meeting with the premiers. I have met with the finance ministers. I can assure the hon. member that any realistic suggestion that is advanced will be considered. But I have to remind the hon. member that we cannot exceed in a dramatic way our fiscal targets and we cannot consider borrowing our way out of this difficulty. Nor can we consider the option of taxing our way out of this difficulty.

* * *

TRADE

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, my question is for the Minister for International Trade.

This morning we learned that *The Ottawa Citizen* has obtained 17 declassified federal background studies on the impact of the proposed trade agreement between the United States, Canada and Mexico.

I want to ask the minister why he did not adhere to his responsibility to table all relevant information, including those background papers, in the House of Commons. Why did the minister and the government not want to keep Parliament and Canadians fully abreast of the facts and of the analysis of those background papers?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I think my hon. friend is well aware that my predecessor and I have both met with the parliamentary committee. We have discussed various aspects of the negotiations and are prepared to continue to do so.

You will also note, Madam Speaker, that in the reports that were released under access to information, there were a number of areas that have not been released because of the significance of some of those conclusions in relation to the negotiating position we would want to take in the NAFTA talks right now. It is for that reason that we did not feel it was appropriate to release the reports in their entirety.

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, the Minister for International Trade has now admitted on the floor of the House of Commons that we are only going to get some of the facts, not all of the facts. That is what he has just said.

The minister also knows that any trade agreement with the United States and Mexico will have serious impacts on a whole range of Canadian sectors including textiles, auto parts and plastics.

If the government is so confident of its position with regard to the bargaining process that is taking place, why have the minister and the government chosen the course to hide all of the facts from Parliament and from Canadians across this country?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I think anybody who is watching will see how my hon. friend has distorted the answer to the first question.

Just to put it on the record again, the point that I think bears repeating is that if we release all of the information my colleague would like to have, that would undermine the national interest of the country in pursuing the negotiations.

My hon. friend also said that we are trying to hide things. We are not trying to hide things. What we are trying to do is ensure that the negotiating position is as strong as possible.

If my hon. friend was fair in his interpretation of what those reports said, he would say that they were a balanced reflection of what the negotiating objectives should be of the Government of Canada in these negotiations so that we can understand what the strengths, the benefits and the clear reasons are for us to be in those negotiations in the national interest relative to some of the things that we should be looking out for in the conduct of the negotiations.

* * *

[*Translation*]

EMPLOYMENT

Hon. Audrey McLaughlin (Yukon): Madam Speaker, my question is for the Minister of Finance. Today statistics show that the number of unemployed is still growing: 40,000 permanent jobs have disappeared since November. Unemployment costs the taxpayers $30 billion a year and the bill is going up every day. How will the government pay for unemployment? Will it raise taxes, add to the deficit or finally put these people back to work?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, as I have indicated in the House on a number of occasions, we are taking steps in the various sectors to help those sectors that are in difficulties, such as agriculture, the transportation sector in regional development programs, tourism programs, saving jobs for example in the de Havilland plant in Toronto.

My colleague, the Minister of Communications, announced a program to support the book publishing industry. My colleague from Newfoundland, the minister of fisheries, announced a Newfoundland roads agreement the other day.

Equalization has been modified which will put $600 million into the hands of the provinces over the next two years. The 95 per cent CMHC guaranteed mortgage has been introduced. Increases in the UI development fund, all of these things are initiatives that we are doing within the fiscal capacity of the government.

I remind the hon. member who suggests that we can spend our way out of this recession of what her own colleague, the premier of British Columbia, said. I share this view because it is a view that is shared by many of the provincial premiers. He said: "We are determined to

lower our deficit. You cannot spend your way out of the recession". Mr. Harcourt said that, and I agree.

Hon. Audrey McLaughlin (Yukon): Madam Speaker, what Canadians know is that 40,000 permanent jobs have been lost since November.

What Canadians know is that 56,000 Canadians have even given up looking for work. They have lost hope recently. I want to say to the Minister of Finance, another 56,000 people who have given up hope is like the entire city of Waterloo or Lethbridge or Brossard stopping to look for work. No jobs and no hope, that is the message that this government is giving to Canadians.

My question to the Minister of Finance is this: Will he, his government and his Prime Minister seriously consider at the First Ministers Conference listening to ideas for job creation like the municipal infrastructure program and give Canadians some hope and some jobs?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, of course we will listen and we will do whatever we can afford to do that will be helpful.

I understand what the hon. member is getting at and I share that concern. Also, I think she should recognize with the gradual reduction in interest rates and the lowering of inflation which reduces cost, all of this has had a very positive effect.

There is a headline that says: "Signs of Life in the Canadian Economy". That is encouraging.

Mr. Harvey (Edmonton East): They're wrong.

Mr. Mazankowski: My hon. friend from Edmonton thinks that is a joke. He may think it is a joke, but here is another one.

The Toronto *Globe and Mail* today, and coming from western Canada I am sure he would appreciate that, says that wheat prices can continue to reach for the sky. That will certainly provide some optimism and confidence for the agricultural producers.

The Financial Post of February 3 said: "GDP—".

Madam Deputy Speaker: I think we must go on.

Hon. Audrey McLaughlin (Yukon): Madam Speaker, I have a supplementary.

I think Canadians who are listening to this must wonder if trying to understand the government's economic policies is like milking a cow for eggs. I want to raise again with this government that its policies are leading to unemployment. Every day we read the number of lay-offs, almost 500,000 jobs since the trade deal came into effect, and today formerly secret documents indicate that studies done on the potential trade deal with Mexico indicate that jobs will be lost in several sectors: auto parts, textiles, and footwear.

• (1130)

I want to say to the government that we do not even know what will happen in the environment because most of that was blacked out in the documents.

I ask the minister responsible for international trade why these studies were not made public. Why can Canadians not see the draft agreement? Why can we in Parliament not be able to debate what this government's position is when it knows that the trade deal will not be in the best interests of Canada as these studies indicate and as many Canadians know?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, as always we have very selective reading of the reports that my hon. friend is talking about.

If she is seriously thinking of the national interest, as I responded to her friend from Nova Scotia, she would understand that providing all the information that she wants would undermine our negotiating position. I would also remind her that the draft agreement, which has an awful lot of what we call bracketed tax elements of the agreement that are still subject to extensive negotiation, has not been made available to people in the United States or to people in Mexico.

As I have indicated in the past I am—

Some hon. members: Oh, oh.

Mr. Wilson (Etobicoke Centre): My friends over there say they are not true. I would ask them to go and seek out the information. Very clearly they will find that it is true.

My friend says Carla Hills has already confirmed it. He says Carla Hills says that the Mexican senators have it. I know that the Mexican senators do not have it.

Some hon. members: Oh, oh.

TRADE

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Madam Speaker, in the face of the continued unacceptably massive levels of unemployment in this country, and the papers released today give Canadians reason to be concerned that further additional jobs are going to be rapidly lost in this country, the government continues in the negotiation now under way in the Canada–U.S.–Mexico trade pact.

I want to quote from a document from the minister's own department that says: "If major NU sectors such as automotive and electrical electronics migrate south as a result of the liberalization of trade with Mexico, supplier industries such as plastics would be required to relocate close to their customers to the disadvantage of Canadian facilities. A U.S–Mexico FTA might have the effect of accelerating industry rationalization along the Mexico–U.S. border".

That is not a selective reading. That is a direct quote of the document.

Should Canadians not know that the minister who gave them the Canada–U.S. trade deal is now in the middle of giving them the gears with a Canada–U.S.–Mexico trade deal, and should they not have all the facts, not selected facts, from this government?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, the level of someone's voice does not help in understanding the nature of the debate we are having today. What I have said very clearly is that if we provide this information in full as the hon. member wants, it will undermine the position of the Government of Canada in negotiating.

My hon. friend also neglects to point out that the underlying conclusion, the bottom line conclusion, of the studies is that it is appropriate and entirely right for Canada to enter into these negotiations to seek out ways of protecting our interests and ensuring that the Canadian industry is well served through what will undoubtedly be an agreement between the United States and Mexico. Surely, and I believe it was the position of his party, it is the right thing for us to be at that table protecting the Canadian interests.

My hon. friend talks about the free trade agreement with the United States. Did he not listen to the member for Okanagan who was talking about the wine industry in B.C.? There is a report in the paper about the wine industry in Ontario. Both have done well under the free trade agreement. The position of the Liberal Party of Canada—

Madam Deputy Speaker: If I may pass a comment to the House, I think we would all gain by shorter questions and shorter answers. Today we have had very long questions and very long answers.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Madam Speaker, I will attempt to put a short supplementary. I have a short quote: "Under a U.S.–Mexico FTA, Canadian exports to Mexico could be displaced by U.S. exports ". That is with respect to textiles. That again is the minister's own department.

I ask the minister this: Is it not reasonable, given the promised benefits and the actual reality of the Canada–U.S. Free Trade Agreement, that the government now come clean with Canadians on the benefits and on the cost of a Canada–U.S.–Mexico trade deal? Is it not time to end the cover–up in the negotiations?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, the bottom line conclusion of the reports that my hon. friend refers to is that Canada should be at the table. What my hon. friend is referring to is trade between Mexico and the United States.

If there is going to be an agreement between Mexico and the United States that will affect trade between Mexico and the United States and could have an impact on Canada, surely we should be at the table to protect the Canadian interest in that particular sector.

* * *

EMPLOYMENT

Mr. John Nunziata (York South—Weston): Madam Speaker, my question is for the minister of employment.

One million, four hundred and twenty–nine thousand Canadians are out of work. Forty thousand full–time jobs were lost last month. Not only is this unacceptable, it is unconscionable. Nine months ago the Minister of Finance told Canadians that the recession was over, yet the bleeding continues right across the country.

I would like to ask the minister of employment what hope does he have for these million and a half Canadians who are desperately searching for work?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, I think that we share the concern of the hon. member for unemployed people. I guess we have a different approach. The Liberal Party and the NDP call for further taxes and more deficit for make work projects. We are getting the fundamentals of the economy right so that the private sector can create lasting jobs, not make work projects.

This is the path we are following. When I look at the provisions of the OECD, I see they point to Canada as the country that should have the best performance in 1992. I think that our people can take comfort in having programs in place to do what is right, and that is training them so that they have the skills to occupy those better jobs.

Mr. John Nunziata (York South—Weston): My supplementary is for to the minister of unemployment.

The government is abandoning Canadians on all fronts. There are 399,000 unemployed in Quebec, 504,000 Canadians unemployed in Ontario, and in the minister's home province there are now 42,000 people unemployed.

I would like to ask the minister this: What does he say to his constituents, what does he say to the people in his very own province, those who are looking for some hope, some employment? Has he abandoned them as well?

Hon. Bernard Valcourt (Minister of Employment and Immigration): No, Madam Speaker, I have not abandoned them. The government is not abandoning anyone. But the government will not put in place band-aid solutions.

Would Canadians believe that at this time of high unemployment there are some 300,000 vacancies in this country that cannot be filled because of a skill shortage?

The emphasis that we put on providing training and skills for Canadians is a sure way of ensuring lower unemployment in the future. I think that is the right direction to take.

Oral Questions

TRADE

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, as a prelude to my question, I want to say that I have been in public life for 25 years. When a member gets up and suggests that an issue I raised in this House means that I am not telling the truth, I am prepared to stake my seat against his seat over that issue.

• (1140)

Last Monday and Tuesday I asked the minister, and I intend to ask again today, if he would confirm or deny the fact that Mexican senators have had access to the U.S.-Canada-Mexico draft bracketed agreement. This was confirmed to me by Carla Hills' office and by a spokesperson from the Mexican Embassy.

Yesterday I just learned—

Some hon. members: Question.

Mr. Barrett: My question to the minister is this: Last week the U.S. Congress budget committee on external trade had briefings on the bracketed Mexico treaty.

Madam Deputy Speaker: I ask the hon. member to put his question, please.

Mr. Barrett: I put the question; I ask the minister this question: if the Mexican senators have had access to the draft bracketed treaty, if the American congressmen have had access to the draft bracketed treaty, why are not Canadian politicians given access to the same treaty?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I think my hon. friend will realize, in his question, that he is talking about two things: one is access to the actual text and the other is briefings.

Mr. Barrett: They have had both.

Mr. Wilson (Etobicoke Centre): My understanding, from what I have been told by both the Americans and the Mexicans, is that there have been briefings but there has not been access to the actual text. That is the purport of the question that my hon. friend yelled across the House at me a few minutes ago.

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, let me be clear when I say access.

My question to the minister is this: The Mexican senators have had access and briefings on the document. The document was given to them in a room and they were briefed from the document. They held the document in their hands.

The American Congress counterparts have had access and the document in their hands. American congressmen went into the room and were handed copies of the draft bracketed agreement. Staff after security clearance were handed copies of the draft bracketed agreement. They have had copies. They have had access. They have had briefings. We have had nothing.

What are you keeping secret from the Canadian people?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I said on Tuesday that I would be appearing before the external affairs—

Mr. Barrett: That is not my question, that is not my question.

Mr. Wilson (Etobicoke Centre): If my hon. friend would let me give a reply to him, I said on Tuesday that I would be prepared to discuss with the committee the various aspects of the text—of the negotiations of interest to them.

His information is different from my information. There is an honest difference—

Mr. Barrett: Don't you call me a liar.

Mr. Wilson (Etobicoke Centre): I beg your pardon.

Mr. Barrett: Don't you call me a liar.

Some hon. members: Oh, oh.

Madam Deputy Speaker: Order, please. There is obviously a difference of opinion, but I do not think that calling anyone a liar or trying to make someone say that someone has said something else will help things at this point. I think we should go on.

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BUY CANADIAN

Hon. Alan Redway (Don Valley East): Madam Speaker, I have a question for the Minister of Consumer and Corporate Affairs.

A great many Canadians who are concerned about plant closings and manufacturing job losses want to buy Canadian.

Will the government undertake to initiate a buy Canadian campaign across the country? Will it also publish a list of Canadian made products, or are we prohibited from doing this by the free trade agreement?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Madam Speaker, I think what my hon. friend is asking an important question. To inform Canadians about the facts is important as well.

As said yesterday, when we look at housing, transportation, food, health and education and we compare with the Americans, the cost of living in Canada is lower than in the United States. So it is not that bad. I think the initiative of my colleagues, the Minister of Industry, Science and Technology and the Minister of Employment and Immigration, on competitiveness will make the market more competitive.

What we need is a market that is competitive. When the market is competitive the consumers get the benefit. What the member says about the fact that Canadian businesses could ask Canadians to buy Canadian is a good idea for them. However, I think it should be initiated by Canadians, by the business community.

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YOUTH EMPLOYMENT

Mr. Maurizio Bevilacqua (York North): Madam Speaker, while this government continues to suffer from its decision-making paralysis, young people's hopes are being shattered in this nation. There are nearly 100,000 more unemployed young people in Canada this January than last January.

When will the Minister of Employment and Immigration realize that our youth want a green light, not a pink slip?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, I do not know what this kind of question accomplishes. I know one thing, that this government, along with Canadians in the private sector, has shifted the priority from make work projects to training in order to help the youth, in order to help young Canadians obtain jobs that can last.

I know that the Liberal Party is for make work projects, but not this government. We believe in the future of our youth and the investment we make is in skills for people. We would rather invest in people than in poverty.

Mr. Maurizio Bevilacqua (York North): Madam Speaker, in order to lead a nation one must show people a future. The future that our young people see in Canada today is very bleak and very dark. We have a generation of chronically unemployed young Canadians.

What is the minister going to do immediately to put an end to this very desperate human tragedy?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, it is of no comfort to young Canadians to tell them that. In 1984, when we took office, the rate of unemployment among young people was higher than it is today, much higher.

What we are doing for young Canadians is providing them with a range of programs that will allow them to have the skills to occupy those jobs in the private sector that will last and not make-work jobs.

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GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, my question is for the Minister for International Trade. Yesterday the minister admitted in this House that the government had failed to do an impact study on the Dunkel proposals at the GATT.

The 1,500 farmers presently demonstrating in front of the office of the Minister of Agriculture want to know when the government will explain its gross negligence when 100,000 jobs are at stake.

Is it not true that the real reason is because the government has already given up at the GATT?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, again another indication of gross distortion by the other side.

We have made it very clear that our position is not to accept tariffication but to seek ways of strengthening and clarifying article XI of the GATT.

We have at the request of the farmers developed some information which we have provided to them to help them understand the impact. We have told the farmers themselves that if they want to join with us in the development of the impacts, we would be happy for them to do so. They are the ones who can best help us in that. At this point in time they have not offered to help with the work on developing what the impact would actually be.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I guess the minister wants the farmers to do the negotiating at the GATT as well as do the farming.

[*Translation*]

Madam Speaker, I have here in my hand a document from the minister that tells Conservative members how to avoid answering questions about GATT. It is on the minister's letterhead. How come the minister had the time to prepare this document telling members how not to answer questions from their constituents but did not have time to study the impact on an endangered industry and on 100,000 jobs that might be lost? Is it not true that the real reason is that the minister and his government have already conceded in GATT?

• (1150)

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, throughout the GATT negotiations on agricultural issues we have consulted closely and in depth with the farm communities and have developed the positions during that time in consultation and with the full support of the farm community.

Surely my hon friend would expect, if we were to take this another step further and do an in depth study on the impact of the Dunkel proposal, that we would do the study in consultation with the people who are affected, the people who have a fuller understanding of the impacts. That has not been the position of the agricultural communities.

We have said quite clearly that we are prepared to have that sort of an impact study done on a joint basis. Whenever they accept that we will be prepared to start to work.

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TAXATION

Mr. Garth Turner (Halton—Peel): Madam Speaker, my question is for the Minister of National Revenue.

Yesterday in this House we heard that Petro-Canada and Gulf Canada, while cutting back on operations in this country, are at the same time investing in foreign ventures and that they have the ability to deduct those investment costs from Canadian earnings.

At a time when our country is just beginning to witness economic recovery, how can the minister justify giving major concessions and advantages to Canadian oil companies that are making these foreign investments?

Hon. Otto Jelinek (Minister of National Revenue): Madam Speaker, yesterday my very good friend from Gander—Grand Falls suggested that—

An hon. member: Oh, oh.

Mr. Jelinek: He is a good friend. He suggested that Revenue Canada gave advance rulings to Petro-Canada and Gulf Canada approving massive write-offs from offshore. Nothing could be further from the truth. In fact there were no representations made to Revenue Canada by either of those companies.

In any event, the hon. member who just asked the question knows that all Canadians, individuals or corporate, who make profits outside the country have to pay tax within Canada, even though the profits are made offshore. Therefore, it goes without saying that if they pay tax in Canada from profits offshore, they will also receive deduction provisions according to the Income Tax Act.

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MINING INDUSTRY

Mr. Jim Fulton (Skeena): Madam Speaker, my question is for the Minister of Finance who I am sure is well aware of the close this week of the asbestos mine at Cassiar in northwestern B.C. Hundreds of workers and their families are about to move out of Cassiar and urgently require federal decisions on tax status of severance pay both from the union and from the receiver.

Will the minister give his assurance that he will fast track decisions on federal assistance and programs like relocation and training, and in particular on an exemption like that given to Pine Point on severance pay, because Cassiar meets all of the requirements of the Ministry of Finance such as isolation, single industry and no other economic opportunities. The workers need the money now because they are moving, not two or three months from now.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, there is no formal or general policy governing this kind of a situation. But the hon. member is correct when he indicates that remissions have been granted in certain cases, depending upon the degree of isolation and the opportunities that exist for alternative employment.

I would advise the hon. member that we will look at this situation as we have looked at other cases on a case-by-case basis. If the hon. member would instruct Cassiar to send the information to us with all the details, I would assure him and the people of Cassiar that we would look into it and get back to them as quickly as possible.

Mr. Jim Fulton (Skeena): Madam Speaker, I thank the Minister of Finance for that positive reply.

My supplementary question on the same situation is for the Minister of Indian Affairs and Northern Development. I am sure he is aware that the Dease River Band immediately north of Cassiar and the Thaltans immediately to the south in Dease Lake, Telegraph Creek and Iskut are similarly going to be negatively impacted.

Since the minister knows that the province of B.C. has made a multi-million dollar proposal to soften the landing for those in the community of Cassiar, does the minister of Indian affairs have a comparable plan for the aboriginal residents who are going to be negatively impacted in the nearby communities?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Madam Speaker, I appreciate the question of my hon. friend.

Of course I and other ministers of this cabinet are very concerned about employment loss, particularly in single resort communities such as Cassiar.

I am sure my colleague, the Minister of Employment and Immigration, is considering the possible benefits of work force adjustment and Community Futures programs. I have asked my officials also to do an inventory of the impact on the Dease Lake and the Thaltan communities.

I would remind the hon. member that it is important he as a member of Parliament give his support to major economic development projects in northern British Columbia such as the Golden Bear Mine, which was recently approved, where the Thaltan community is very much a partner in that venture.

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UKRAINE

Mr. Alex Kindy (Calgary Northeast): Madam Speaker, my question is for the Deputy Prime Minister, the Minister of Finance. It concerns the liabilities and assets of the former U.S.S.R.

The Prime Minister of Ukraine, Mr. Fokin, has invited the creditor nations of the former U.S.S.R., the International Monetary Fund and the World Bank to a conference to be held in Kiev on February 18, to discuss the problem of the partition of the liabilities and assets of the former U.S.S.R.

Ukraine has accepted its share of liabilities but wants to discuss as well the assets that the former U.S.S.R. is holding abroad, including in Canada.

Would the minister indicate to the House who is going to represent Canada at this conference? What is the position of the Canadian government concerning this important matter?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, that is an ongoing issue that is discussed within the aegis of the G-7 countries.

* * *

[*Translation*]

EMPLOYMENT

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, my question is for the Minister of Employment and Immigration. I would like him to explain to us how his government intends to build the future of the country when 40,000 jobs were lost in January alone, 4,000 of these in Quebec. Is he waiting till just before the election to announce job creation projects or will he act today?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, we intend to build the country by not following the policies embodied by the Liberal Party of Canada, which would raise the deficit and tax people even more. We know that is the Liberal Party's solution. Our economic policy is meant to create a climate that is favorable to investment and in which the labour force can hold these jobs. That is the plan we are following and it is working, Madam Speaker.

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, before the government talks about Bombardier, which is in my riding, I remind you that it is only one employer and that other companies like Kraft and Pratt & Whitney regularly cut employment. The jobless rate is going up all the time in Quebec. Right now in the Montreal area nearly 195,000 people are desperately looking for work. What does the government intend to do this year to help these people?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, to help these people, the government intends to spend over $3 billion on a host of adjustment programs from which these people can benefit. There are $150 million for community development, $412 million for job entry and $78 million for on the job training. Furthermore, these programs are in addition to support programs like unemployment insurance, which amounts to some $17 billion. They are all programs available to these people so that they can, we hope, acquire the skills needed to hold a job.

As I said earlier, Madam Speaker, despite the high unemployment rate, our information shows that about 300,000 jobs in this country cannot be filled because people do not have the required skills. This is the problem that must be addressed.

* * *

[*English*]

CENTRAL GUARANTY TRUST

Mr. Douglas Young (Acadie—Bathurst): Madam Speaker, my question is for the minister responsible for financial institutions.

The sad saga of Central Guaranty Trust Company continues to unfold with indecision and confusion contributing to some of its shares fluctuating in value from $2.25 to $11 in the last month. Small shareholders in the Atlantic provinces and across Canada have been and are being badly burned while the regulator fiddles.

• (1200)

What is the government going to do to protect the interest of shareholders, depositors and taxpayers as Canadians' trust and confidence erode in a very important segment of our financial system?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the Office of the Superintendent of Financial Institutions is reviewing this matter and has not as yet brought a recommendation to me. I am told that it is under very active consideration. I think the hon. member would recognize it would be inappropriate for me to comment while these negotiations are ongoing, but as soon as we get word I would be pleased to let the hon. member know.

* * *

[*Translation*]

VIA RAIL

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, my question is for the Minister of Transport. Can the minister tell us or confirm today when a final decision will be made on the survival of VIA in Abitibi?

Hon. Jean Corbeil (Minister of Transport): Madam Speaker, the hon. member for Abitibi will surely be pleased to know that as a result of his involvement we have been able to arrange meetings between the VIA authorities and representatives of the Senneterre Chamber of Commerce that yielded results which seem satisfactory to both parties. Their discussions at that time are part of the study that VIA is now completing on all services to remote regions. We hope to be able to provide him with a detailed answer in a few weeks.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 107 petitions.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

SCIENTIFIC RESEARCH

MYOTONIC DYSTROPHY

Hon. Doug Lewis (Solicitor General of Canada): Madam Speaker, I am pleased to have this opportunity to rise on behalf of my colleague, the Minister for Science who has an unavoidable previous commitment, to make reference to the announcement on Wednesday in the media that a major breakthrough had been made in the study of the most common form of muscular dystrophy, myotonic dystrophy.

Hon. members may be aware that this debilitating disease affects the muscles but can also involve the eyes, heart, lungs or digestive system. In Canada about one person in 7,000 suffers from this disease, but in some areas the incidence runs as high as one in 500.

The Canadian Genetic Diseases Network announced that Dr. Robert Korneluk of the Children's Hospital of Eastern Ontario, one of the network's 23 principal investigators, has isolated the genetic defect responsible for the myotonic dystrophy. This is the latest in a series of genetic discoveries in Canada. The cystic fibrosis gene was discovered by another member of the network. The muscular dystrophy gene was discovered by Dr. Ronald Worton.

I would like to point out to the House that each of these researchers is a member of the Canadian Genetic Diseases Network. Since the network was created in 1989 as part of the networks of centres of excellence program it has quickly demonstrated the effectiveness of national collaboration in fostering scientific research.

Since last year the network's program has been funded to the rate of $450,000 over the next five years for Dr. Korneluk's research. As my colleague, the hon. member for Calgary Southwest pointed out yesterday, another $400,000 in funding was also provided by the Medical Research Council, which is Canada's major agency funding medical research.

The Muscular Dystrophy Association of Canada and its United States counterparts as well as the Research Institute of the Children's Hospital of Eastern Ontario and the Children's Hospital of Eastern Ontario Auxiliary contributed to the research.

Madam Speaker, you know the alliances, the partnerships and the collaborations that are key to scientific research both in Canada and around the world. Dr. Korneluk worked with colleagues in the United States, Netherlands and Great Britain in isolating the gene. On behalf of the Government of Canada I would like to congratulate Dr. Korneluk and his colleagues.

I would also like to thank the 165 families in the Ottawa area who participated in Dr. Korneluk's research. This was the largest group of families affected by myotonic dystrophy ever to be studied. I know that these families and many more across Canada and around the world will take heart from this discovery.

In the short term it is going to mean more rapid diagnosis of myotonic dystrophy. In the long term it may mean new breakthroughs in ways to treat the disease.

In addition, the discovery will help advance the course of science in Canada, science that is not only key to Canada's prosperity but is also helping Canadians to live healthier lives.

Ms. Beth Phinney (Hamilton Mountain): Madam Speaker, it is with great pleasure that I rise to offer congratulations to those who have isolated the genetic defect responsible for myotonic muscular dystrophy.

This landmark breakthrough was made here in Ottawa by Dr. Robert Korneluk and a research team at the Children's Hospital of Eastern Ontario.

As we all know, muscular dystrophy is a tragic disease. Myotonic dystrophy is the most common form affecting adults. Its symptoms are progressive weakness and myotonia, which is an inability to relax muscles after they have contracted.

At this time there is no treatment for this form of muscular dystrophy. All that can be provided is physical therapy and medication to help muscles relax. This discovery will mean dramatically improved diagnosis. Most important, doctors will be better able to advise parents who come from families with a history of the disease so they will know whether they risk passing on this genetic defect.

Of course the discovery raises our hopes that we are much closer to finding a treatment or cure for this disease.

Madam Speaker, it often seems in this House that we have a lot of problems to address, a lot of negative issues to deal with. In a world where things so often go wrong, these medical advances seem nothing less than a miracle.

It is one of those times when members of the scientific research community, who spend so many years of their lives in often frustrating research, are publicly recognized for their great efforts.

Again, on behalf of the Liberal Party and all the families and victims of this disease, my congratulations to all those involved in this breakthrough.

Mr. Riis: Madam Speaker, our spokesperson on this very important issue is *en route* to the Chamber as we speak. I wonder if we could simply agree to progress with the Routine Proceedings and as soon as he— It is appropriate that he speak now, Madam Speaker.

Mr. Jim Karpoff (Surrey North): Madam Speaker, all Canadians have a right to be proud of some of the scientific work of our people in the medical field. Canada has had a history of medical research going back to the discovery of insulin. I am delighted to see this government supporting that effort.

However, one of the things that has bothered me over the last two years while I have been in this House and on the health committee is watching the government's dedication to health research being eroded. In the last year the government has consistently cut back on the research funds it has available both in terms of grants to organizations and grants to colleges and universities.

We can all be proud of the discoveries that have been announced in the last week. Certainly it will have an impact on our health care system because it deals with a major breakthrough in one of the more disabling diseases. I wonder how many more breakthroughs we could

have had if this government had maintained its commitment to medical research and its commitment to developing a high calibre of medical scientific research in Canada.

• (1210)

It is very nice for the government and all of us to take credit, but the best way this government could take credit would be to encourage medical research and new breakthroughs and restore the funding that they have cut from medical research budgets in the last few years.

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SUPPLY

MOTION OF NON-CONFIDENCE IN GOVERNMENT

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I wonder if I could seek unanimous consent of the House to put the following motion:

> That during the supply period ending March 31, 1992, all motions moved pursuant to Standing Order 81(14) be deemed not to be motions of confidence in the government.

I would like to seek unanimous consent to be able to put this motion today.

Madam Deputy Speaker: Does the hon. member for Kamloops have unanimous consent to present his motion?

Some hon. members: Agreed.

Some hon. members: No.

Madam Deputy Speaker: There is not unanimous consent.

* * *

[*Translation*]

PETITIONS

SUPPLY MANAGEMENT

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I have the honour and the privilege to present a petition signed by 600 constituents of Glengarry—Prescott—Russell to convince the government to protect the supply management system that now exists under article XI of GATT. This petition is in addition to ones that 1,900 other people have already sent to me in the past.

[*English*]

VIOLENT CRIME

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I also have a petition signed by a number of constituents of Glengarry—Prescott—Russell and elsewhere who have asked me to table it for them in regard to crimes in society and, in particular, bringing to our attention the case of Nina de Villiers.

I want to take this opportunity to congratulate my colleague from Hamilton Mountain who has been such a vocal spokesperson for our caucus and indeed for all Canadians on this important issue.

HUMAN RIGHTS

Mr. Svend J. Robinson (Burnaby—Kingsway): Madam Speaker, I have the honour to present a petition which was signed by hundreds of Canadians from Burnaby, Vancouver and elsewhere in British Columbia which notes that in February 1985 the House of Commons mandated the Standing Committee on Justice and Legal Affairs to prepare a report on equality rights in Canada. That committee unanimously recommended to the government in October that the Human Rights Act be amended to prohibit discrimination based on sexual orientation in all areas of federal jurisdiction. We have been waiting almost six years now for the government to keep that promise.

Therefore the petitioners urge the government to bring forward an amendment to add sexual orientation to the Canadian Human Rights Act as a prohibited ground of discrimination.

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is an honour to present a petition on behalf of a number of residents of the interior of British Columbia from a whole set of communities too numerous to list. They are concerned about plans to divert one of the major British Columbia rivers partly into a number of channels that would eventually end up delivering British Columbia water into the Los Angeles, California area.

The petitioners are asking that the Government of Canada state categorically that our rivers in Canada are not for sale.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): Madam Speaker, pursuant to Standing Order 36, I present a petition on behalf of a number of the residents of the Kamloops region of British Columbia who are concerned about the cutbacks in financial support to the RCM Police. The petitioners are indicating a number of concerns they have in terms of the ability of the RCMP to fulfil its mandate and are asking the federal government to ensure that proper funding is provided to the police force in Canada.

VIOLENT CRIME

Mr. Bob Corbett (Fundy—Royal): Madam Speaker, following the tragic murder of Nina de Villiers on August 9, 1991, my constituents have asked me to present a petition to the House of Commons asking that the government revise the Parole Act, the Bail Reform Act, as well as the Criminal Code of Canada, to deal with people who are out on parole and who in this case has committed a further grievous crime.

IMMIGRATION

Mr. John Manley (Ottawa South): Madam Speaker, I have petitions on three matters that I would like to present this afternoon.

First, quite a large number of constituents who have joined our Canadian family from the country of Bangladesh are petitioning that the government establish a full service immigration program at the Canadian Embassy in Dakar, Bangladesh. People from that country have experienced great difficulty in having to travel to India in order to pursue their immigration files.

GASOLINE PRICES

Mr. John Manley (Ottawa South): Second, Madam Speaker, I would like to present a petition on behalf of a number of residents of my constituency of Ottawa South who are calling upon the government to correct an injustice which seems to be occurring in the marketing of petroleum products in the eastern Ontario area. All members will be aware of how expensive it is to buy gasoline in Ottawa compared to almost every other part of Canada.

VIOLENT CRIME

Mr. John Manley (Ottawa South): Finally, Madam Speaker, I too would like to present a petition from a number of my constituents who have responded to the tragic circumstances of the death of Nina de Villiers. These petitioners are calling upon Parliament to amend the Criminal Code of Canada, the Bail Reform Act and the Parole Act in response to the circumstances surrounding that tragic event.

I too would like to congratulate the member for Hamilton Mountain for her initiative in respect of this matter.

HUMAN RIGHTS

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, I am pleased to present petitions from a large number of people from Quebec who state that six years ago this government promised to amend the Human Rights Code to ensure that sexual orientation be a prohibited ground for discrimination. The Canadian Human Rights Commission has also called for this amendment. The Minister of Justice has made a commitment to this amendment but still there has been no action.

These petitioners are calling on Parliament to bring forward immediately an amendment to add sexual orientation to the Canadian Human Rights Act as a prohibited ground for discrimination.

ROYAL CANADIAN MOUNTED POLICE

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I have a petition from approximately 100 residents of the municipality of Tofino on the west coast of Vancouver Island urging the government to restore proper funding to the RCMP so that it can fulfil its mandate and its role as the only visible police force for communities across British Columbia and remain as a visible symbol of Canadian unity.

HUMAN RIGHTS

Mr. Robert E. Skelly (Comox—Alberni): I have a further petition, Madam Speaker, signed by 750 people from numerous communities across British Columbia and the other provinces of Canada calling on Parliament to bring forward immediately an amendment to add sexual orientation to the Canadian Human Rights Act as a prohibited ground for discrimination.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Madam Speaker, I have three petitions to present, pursuant to Standing Order 36, the first signed by a large number of Canadians from one coast to another who are petitioning Parliament to bring forward immediately an amendment to add sexual orientation to the Canadian Human Rights Act as a prohibited ground for discrimination.

GOODS AND SERVICES TAX

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Second, Madam Speaker, I have a petition signed by a number of citizens of my own constituency, from the cities of Nelson and Castlegar and the village of Salmo and the communities of Crescent Valley, Procter and South Slocan.

The petitioners state that whereas the goods and services tax is applied to feminine sanitary products such as tampons and pads, and whereas these products are necessities for women in the same way that other products are necessities for other Canadians, the petitioners humbly pray and call upon Parliament to consider removing the goods and services tax from women's sanitary products.

• (1220)

PETRO-CANADA

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Finally, a number of my constituents from a number of cities, villages and communities throughout Kootenay West—Revelstoke point out that especially at a time of serious instability in the international oil markets Canadians need Petro-Canada to act as a watch-dog in the mostly foreign owned and controlled oil industry to ensure that Canadians are not being gouged in the purchase of their own energy resources.

The petitioners humbly pray and call upon Parliament to repeal Bill C-84 and keep Petro-Canada as a Crown corporation acting in the best interests of all Canadians.

HEALTH

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, I rise to present a petition from women across Canada—and I see that there are even men who have signed the petition—who are increasingly concerned about the scientific evidence which has raised doubts about the safety of the Meme breast implant. They are even more concerned about the health protection branch of the Department of National Health and Welfare and its handling of dangers of the Meme breast implant, which it has known about for the past several years.

The petitioners ask Parliament to establish an independent judicial inquiry into the testing and approval process for all medical devices, and in particular the Meme breast implant.

HUMAN RIGHTS

Ms. Joy Langan (Mission—Coquitlam): In addition, I have a petition similar to several others introduced today. This particular petition is from people from Toronto concerned about that the fact that it has been four years since the statement of the government about taking whatever measures were necessary to ensure that sexual orientation is prohibited as a ground for discrimination. In view of the fact that Quebec, Ontario, Manitoba and Yukon have such protection already included in the Human Rights Act, they humbly call upon Parliament to ensure that the government and Parliament act to bring forward immediately an amendment to add sexual orientation to the Canadian Human Rights Act as a prohibited ground of discrimination.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I too have a petition which has been signed by hundreds of Canadians, including a great many from the Windsor area, pointing out that the House of Commons Standing Committee on Justice and Legal Affairs prepared a report on equality rights in Canada. In that report it suggested that there should be a number of changes in the Canadian Human Rights Act, including an end to discrimination on the basis of sexual orientation.

In March 1986 the government accepted the report and the petitioners call upon the government to follow through on that commitment made six years ago and put it into legislation.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Governement in the House of Commons): Madam Speaker, Question No. 173 will be answered today.

[*Text*]

Question No. 173—**Mr. Young:**

1. With respect to the 1985–86 Treasury Board announcement on the decontrol of certain person-years, by department, how many person-years have been reduced from the 1985–86 base year up to and including the 1990–91 Main Estimates?

2. Since 1985–86 to 1990–91 how many person-years in the Department of Indian and Northern Development have been eliminated as a result of transferring program funds and responsibilities to Indian bands where these bands have hired staff from the funds provided?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): In total the government reduced 23,542 person-years from the Public Service over the five years between 1985–86 and 1990–91. This represented a reduction of approximately 10 per cent of the adjusted 1985–86 authorized person-year levels (see Note 1). From this amount, 11,165 person-years were reallocated to respond to new priorities and to maintain critical service levels related to health, safety and security. The net result was that there were 12,377 fewer person-years authorized in the 1990–91 Main Estimates than in 1985–86.

Note 1: Over the years the Treasury Board has approved a number of adjustments to its policy on person-year controls, which had the effect of eliminating such controls over specific organizations or particular groups or classes of employee. To ensure a consistent comparison, the analysis above adjusts the authorized person-year levels originally reported in all years including the base year to reflect any changes in the size of the Treasury Board person-year controlled universe.

2. (i) The Department of Indian Affairs and Northern Development was reduced by 2,143 person-years from its 1985–86 base level of 6,245 to its 1990–91 level of 4,102.

(ii) Of the total departmental reduction of 2,143 person-years 1,370 is attributable to the transfer of program funds and responsibilities to First Nations and their organizations. The other person-year reductions resulted from transfers of program funds and responsibilities to the territorial governments and from efficiency gains made throughout the department.

[*Translation*]

Madam Deputy Speaker: The question as enumerated by the parliamentary secretary has been answered.

M. Cooper: Madam Speaker, I would ask that the remaining questions be allowed to stand.

[*English*]

Mr. Milliken: Madam Speaker, I know that the parliamentary secretary has been doing his best and we have had a veritable flurry of answers to questions this week. However I cannot help but draw to his attention, and I know he would want me to draw it to his attention, the slowness with which the government has proceeded on Question No. 4, as an example, on the Order Paper. It has been there since May 13 of last year. It has been Almost 12 months now.

There is also Question No. 49 of May 21 last year. Both those questions requested a response within 45 days.

It is making a bit of a laughing stock of the Order Paper. I know that the members who put the questions down are not objecting to the government's delay and foot-dragging on this issue. However I am, because I think it is an outrage.

The Solicitor General knows full well that there are rules requiring his department to answer within 45 days. The questions are on the Order Paper and then the members cannot put more on because if members are at their maximum of four questions they are stuck.

The 45-day rule is being worse than ignored; it is trampled underfoot by this uncaring government. I would ask if the parliamentary secretary would perhaps take the House into his confidence and give members some reason the government has failed to respond in a timely manner to their questions?

Mr. Cooper: Madam Speaker, I am very impressed with the thoughtfulness of the hon. member in his concern for his colleagues. I hope that perhaps we could transfer him for the debate.

Otherwise, I can tell him that we are continuing to look at the questions. We are doing our best to get them answered. He knows I have answered a significant number of questions this week. It is no wonder I have bags under my eyes as we come to this Friday.

Mr. Boudria; Madam Speaker, I also want to put on record the few questions that I have asked, particularly in regard to the Secor contract of last September 16. Another one concerned the hospitality expenses of every deputy minister. Finally, on September 18 I asked about golf club memberships paid by the government and all of its agencies. I know that those three questions are probably difficult to understand. They may even touch a nerve. The rules of this House do not provide for different circumstances when one's nerves are touched. They provide for 45 days. None of the three questions have been answered.

Furthermore, members cannot place any more than four questions on the Order Paper. By not answering these questions the government is preventing me from asking more questions.

Madam Deputy Speaker: I do understand what the hon. member is saying. However he must realize that his colleague from Kingston and the Islands rose on a point of order. He was close to a speech. Now the hon. member is getting into debate. It is a point of order which does not require a speech to make the point.

Mr. Cooper: Madam Speaker, I want to simply reply to the hon. member. He asked that his questions be delivered to all departments, all agencies and, in one case, all Crown corporations.

Even he should understand that this is a considerable amount of work to be done and I am sorry it takes so long. Perhaps next time he could be a little more specific in his questions. I am sure we could respond quicker.

Mrs. Maheu: Madam Speaker, I have been listening attentively to the responses from the government side on these questions on the Order Paper.

My question requires a simple yes or no answer. It has been on the Order Paper since May 13. I was asking the government if it intends to table the report on the race relations task force headed by Mr. Linton Garner.

An hon. member: What could be simpler?

Mr. Cooper: Question No. 4, I do not know.

Madam Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

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MOTION TO ADJOURN UNDER S. O. 52

HIBERNIA

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, I appreciate the opportunity to rise on this particular occasion on this subject.

I submitted a request to the Speaker yesterday for an emergency debate under Standing Order 52 on the Hibernia situation. As I pointed out in my letter, this request was made to adjourn the House to debate this subject because the recent notice given by Gulf Canada to withdraw from the Hibernia offshore oil management project has added a great deal of uncertainty regarding Hibernia's development and could have, if it has not already, a dampening effect on future contracts and business opportunities in Newfoundland and Canada.

This negative cascade, this cumulative effect, the uncertainty this engenders in a dismal economic outlook in Newfoundland, indeed in Canada, deserves debate under the rules of Standing Order 52 in the House of Commons.

I humbly request and ask leave to move adjournment of this House now for the purpose of discussing a matter of urgency, namely that measures be undertaken by the government to preserve the continuity of this project.

Some hon. members: Hear, hear.

• (1230)

Madam Deputy Speaker: I want to thank the hon. member for Bonavista—Trinity—Conception.

His request did come to the attention of the Chair yesterday. I will tell the hon. member that this was discussed yesterday with Mr. Speaker. We came to the conclusion that, without in any way diminishing the importance of the Hibernia situation in the Atlantic region, the hon. member's request today for an emergency debate does not meet with the requirements of Standing Order 52.

Hopefully there will be other times and other moments to discuss this matter which is very important to the hon. member and particularly to the region he represents.

GOVERNMENT ORDERS

[*English*]

CANADA–FINLAND INCOME TAX CONVENTION ACT, 1991

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. McDermid that Bill S–2, an act to implement conventions between Canada and Finland, Canada and the Czech and Slovak Federal Republic and Canada and the United Mexican States for the avoidance of double taxation with respect to income tax and the prevention of fiscal evasion and a convention between Canada and the United Mexican States for the exchange of information with respect to taxes, be read the second time and referred to Legislative Committee F.

Madam Deputy Speaker: I wish to inform the House that pursuant to Standing Order 33(2)(b), because of the ministerial statement, Government Orders will be extended by six minutes.

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, as I was saying about this bill on double taxation, my concern is that there is no taxation.

What the hon. member for Bonavista—Trinity—Conception just tried to move in this House regarding an emergency debate on Hibernia relates to this bill because Gulf Canada decided to pull out of Hibernia in Canada and to go ahead with an investment in Siberia.

Petro–Canada, our great national oil company put in place by the taxpayers of Canada, recently announced the closure of gas stations across Canada. It is an enormous cutback. At the same time Petro–Canada is investing in an oil development in Burma.

The bill we have before us today relates to agreements concerning income tax. Income tax was introduced in this country on the basis of progressive taxation. The term income tax as it emerged in Canada during the First World War was demanded by the farmers of western Canada and the workers of eastern Canada. It was demanded by the people. It is the only tax I know of that was demanded by the people of Canada, as it was demanded by the people of the United States before 1900. It was based on the fact that when you say "income tax" it means a tax on income. We have a system that says to Gulf Canada that it can pull out of a development in Canada and go into a development in Siberia and deduct from its taxable income in Canada every cent of money it is spending in Siberia.

The government says to Petro–Canada: "You can pull out of operations in Canada and lay off people in 1,700 service stations, get that pool of money, go ahead with your investment in Burma and every cent, to the penny, the hundreds of millions of dollars, you can get it all back because you can subtract it from your taxable income in Canada for this year, next year, next year, for the year after and the year after until you get it all back. If you have $100,000 of taxable income this year in Canada, you can take $100,000 off that billion you are spending in Burma and you pay no taxes".

What kind of a system is this at this time of recession, at this time of saying to ordinary Canadians: "Tighten your belt. Pay new taxes". Talk about double taxation. Ordinary Canadians are paying triple taxation. However, the government says to the oil companies: "If you do not want to pay any taxes, if you do not want to pay any income tax, invest in Siberia, invest in Burma. Pull out of Newfoundland, pull out of your gas stations".

At times to use the income tax system to promote a development is not a bad thing; it is a good thing. Whether or not it was good or bad or justified that this government initially approved a tax write–off for the purchase of Gulf Canada in the beginning is debatable. I seriously doubt it, when a tax concession of $500 million was approved for a company that has $7 billion in assets. But that is what was done.

As the minister said in the House yesterday, that was called the Little Egypt Bump. We can call this movement of Gulf the Siberian shove because it has decided to invest in Siberia and pull out of its development off the coast of Newfoundland.

Perhaps the time has come for the Government of Canada to step back a little bit and look at all of these

taxation agreements and look at the income tax system as it relates to the companies covered in these agreements so that the encouragement is there for them to invest in this country and not to use the money they are saving in Canada to invest in a foreign nation and have the taxpayers of Canada foot the bill.

• (1240)

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Madam Speaker, I am not sure exactly how my hon. friend's remarks relate to tax treaties between Finland, Czechoslovakia, Mexico and our own country. However, since his comments evidently fall within the scope of the debate I do want to say that while he talks on the surface of double taxation I think what he provides to a certain extent is double-talk.

I am not sure whether it is the policy of his party that the Government of Canada should direct people who are in business on how to do their business, or whether these businesses should be free to try to operate on a basis that makes it worth while for them. It is my understanding that most businesses are in business to make money and to do those things that make sound business sense.

With respect to the issue of taxation, my hon. friend points out that there are deductions for business expenses against income tax. I think the point he should make is that those deductions apply whether those investments are in Canada or abroad.

What he fails to do is go the next step, as the minister did earlier today, and point out that they are taxed on the profits or indeed the income that results from those business investments. At one point he seemed to imply that there should be different standards for taxation applied to different companies or indeed different taxpayers.

I would like to ask him first: Does he believe that the same standards of taxation should apply to all taxpayers in Canada or should there be different rules for different taxpayers? Second, does he believe in the notion that there should be deductions before the determination of tax rates to be paid by taxpayers, and does he disagree with the notion that Canadians or Canadian companies should be taxed on profits they accrue from overseas revenues?

Mr. Baker: Madam Speaker, I shall try to answer each one of these questions in the order in which they were put.

First of all, he mentioned the profits that are taxed in foreign nations. I remind the hon. member and the Minister for National Revenue that the foreign exploration and development deductions on the income tax returns of these oil companies allow them to deduct 10 per cent each year—it does go down to 9.6 per cent in the second year in the case of Gulf—of their total amount of exploration and development expenses. But it also allows them to deduct from their taxable income in Canada 100 per cent of their profits from their oil development in Siberia.

That is the system that is in effect in our income tax for companies which invest in foreign nations, so do not talk to me about profits in foreign nations. The higher the profit, the bigger deduction they have from their taxable income in Canada.

Now that I have explained that, let me move to the second point. Should there be, he says, deductions before income tax is paid. Of course there should be deductions. But there is not a Canadian who agrees with a system that says that those deductions can be used not only to totally evade taxes but also to allow somebody making a quarter of a million dollars a year in this country to claim benefits that are due to low and modest income people. Nobody in this country agrees with somebody making over $100,000 a year and being able to claim the child tax credit as they do when the maximum you can make is $26,500 to get the child tax credit and then it goes down. The deductions, the business losses, the RSPs; there are 11 deductions before your net income is arrived at and your net income is used to determine every single income tested benefit under the tax system: The child tax credit, GST rebate, federal sales tax rebate, name them all.

Now the next question: Should there be the same standards of taxation for everybody? There should be a standard. The standard of taxation was arrived at, at the turn of this century, by a Tory government by the way. In 1917 that government wanted conscription in Canada and the farmers were demanding income taxes because there were some wealthy families in two cities in this country that were importing cars from Europe.

They demanded fair taxation because all we had was a commodity tax that, as you know, placed an unfair burden on ordinary people because they used the majority of their income just to live.

For example, lower income people have to spend all that money on the GST so they pay a greater percentage in GST. Somebody making $200,000 a year can put money into RRSPs, investments. The percentage spent on the GST is lower.

When the income tax system came into this country, brought in by a Tory government, it did not want to bring it in. It wanted conscription because we were in a war. Its members met in the back rooms of this Chamber with the Liberal opposition. The Liberals said: "We will vote for conscription if you agree to bring in an income tax based on a person's income. It should be progressive. The higher the amount of money you make, the greater percentage you pay in taxes".

That is how income tax began in Canada. If you go back, that is how it began in the United States. It was a demand of the people. It went to the Supreme Court of the U.S. and was judged unconstitutional. The judges said: "How could the majority impose a system of taxation on the minority" who were the rich. The Constitution had to be changed to make it legal.

Do I believe in the same standards of taxes for everyone? Yes, I certainly do. The unfortunate part of it is that over the years since we brought in income taxes, there has been one group of people in this country who do not pay any income taxes at all. The hon. member knows that number is rising. Statistics for last year show that there are many hundreds of people making over $250,000 total income who pay not one penny of income tax, not a single penny.

Do I believe in a standard of taxes for everyone? Sure I do. I believe in the standard that was brought in when the income tax system was set up in this country during the First World War, a system that has not been followed. It is a system that now has got to this bill that we are passing here today, this agreement with these foreign nations that has as its base our own income tax system which says that if you are Gulf Canada you can invest in Siberia and get the same tax benefits as if you invested in Canada.

You get 100 per cent of it deducted. It says to Petro-Canada: "You can close service stations. Invest in Burma". That country does not exactly have a good record on human rights, does it? "Invest there and you get the same benefits as if you invested in Canada".

In fact, when you really examine the taxation systems that are in effect in those nations, you will discover that it is to the company's benefit to invest in those countries and not to invest in Canada. That is why I say that the government has to rethink this whole system because Canadians are sick and tired of being told that they have to tighten their belts and pay more taxes. They can see that these companies are paying nothing and they are living off the taxpayers of Canada while they invest in foreign nations.

• (1250)

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, I first of all want to say how impressed I am with the previous speaker's analysis of what is taking place. Frankly his scope of bringing the whole double taxation question into a very important bill is important in this House.

Tragically the framework within this bill has been defined in a sense of time by one of the government spokespersons. This goes back to 1971. I do not intend to do Liberal government bashing. What we knew in 1971 and what we knew 15 years ago when we started these discussions, and it is relevant to provincial governments as well, is entirely different from what we know today.

My good friend has pointed out, by case, what we know today that we did not know in 1971 when this opening was allowed. My good friend has pointed that out in case what we know now applies to Mexico did not apply then as well.

In a world that is being described as the new global economy, we are framing legislation in this bill that is in a world which no longer exists. We think that by sector by sector agreements, for instance with the Mexican government, we are protecting our turf. We also understand, and my friend through his illustration gave proof to this, that money moves within seconds internationally. Money can move from Zurich, from Tokyo, from Hong Kong, from Toronto, from Washington and from London at the press of a computer button. That did not exist in 1971 and I am not going to blame the Liberal govern-

ment for giving this loophole. That did not exist 15 years ago when my friend talked about the attempt to get a deal. It exists now.

While we politicians sometimes are trapped in classic debates about you said this and you did that, our classic debates are no longer relevant to the technological changes and trade changes that have taken place in this country and in the world.

No one would deliberately set out to allow Gulf to get away with what it did. Gulf got away with it. There has been no clear leadership from this government, as my colleague has clearly pointed out, to close this loophole. This bill will not close the loophole for Mexico or for anyone else.

The appeal is being made by those of us who are reading this and beginning to understand the rapidly changing global world economy. We are elected in Canada, and I am not talking about supernationalism; I am talking about basic political responsibility to the taxpayers of this country. Our basic responsibility is to take as a base line the question of what we need to protect here in Canada as the people who sit on the other side of the table say: "What is it we need here to protect in Mexico?"

Frankly I do not assume that the person you sit down with is going to cheat you. I do not assume that anybody is going to distort the facts. Everybody sits at the table in this kind of legislation with the motivation of enlightened self-interest.

I do not think this government has done enough work. I will stick clearly to the relevance that the Chair so wisely suggested to the House and I will only talk about Mexico and the avoidance of double taxation.

Since this particular bill was introduced, we have had placed in our hands information concerning government documents that indicate a profound potential negative effect of the treaty that the United States and Canada are discussing. That profound negative effect in the documents applies to taxation as well. I will be relevant in dealing with that taxation aspect.

In the areas of textiles, auto parts, plastics, and secondary and tertiary manufacturing for basic resources, there will be no clear-cut explanation once this bill is passed of its implication based on an agreement that is being negotiated.

For the wisdom of all the members of this House, for the protection of the Canadian taxpayers, it would be far better if this bill were withdrawn until the House knows exactly what deck the government is dealing from.

What else is there behind the scenes that we have to force out of secret documents? Why is it that the press has to apply for freedom of information on negotiating positions that have major implications on this bill? I am making a plea to this House, neither for nor against this bill but that we simply do not know enough about what is going on behind the scenes to make a rational decision on this bill. We cannot even have an ideological debate, traditionally from the right, the centre or the left on this bill, because the facts are not before us.

I do not think there is any ill intent by the government in pursuing this bill at this time. I just think there was no thought given to the timing of this bill relative to other things that are happening in a rapidly changing global economy.

It would be far better if this bill were withdrawn for about six months. It would be far better if a committee of this House were struck to deal with that specific broad problem in which this bill falls, and that is the changing global economy.

I think it is absolutely essential in this day and age that every parliamentarian be armed with updated information about this rapidly changing world instead of being fixed here in an almost analogous situation of trying to drive a steam tractor when there are already other operations of carbon driven engines. The House is being hampered by being left in a back frame of time that no longer exists.

It does not surprise me that in some instances when I go back to my constituency people ask me: "Why did you vote this way on this bill? Why did you not think of this or that?" We cannot think of everything. In the crunch we ultimately have to make a decision about many things every single day and we do our best in terms of what is humanly possible.

In this instance, our best in terms of what is humanly possible is to put this bill aside until we as parliamentarians have every single known fact available to us, not kept secret, about our changing relationship with Mexico, because this bill deals with double taxation in Mexico.

What is that changing relationship going to be in terms of one major area, tariffs and content and taxation around the automobile parts industry? How does this bill apply? What does it mean if we change the content rule, as is being discussed in the Canada–Mexico free trade agreement, to the question of double taxation on a Canadian investor who is an auto parts manufacturer if he decides to close his plant here, move to Mexico, manufacture there, cut himself back into the market, avoid the tariffs, take his money out of Canada and not be taxed at all out of the Mexican operation and still have a piece of the action?

What does it mean? What does it mean to Quebec and its textile industry, or what is left of it? What does it mean to the plastics industry and double taxation? There is not a single sector of secondary or tertiary manufacturing in terms of investment and double taxation that is not impacted by those talks.

I would like to know what the Canadian government position is. I would like to know where we are going. Although we may have a difference of where we are going and how we get there, how can we possibly deal with this bill until we know where the government is going, how it wants to get there and what its bottom line is? This is like giving a licence to a 10–year–old to drive a car so that when he reaches 18 we hope he will know what he is doing. This is certainly putting the cart before the horse.

I ask my friends to seriously consider exactly the kind of situation they are placing the House in. We do not know enough. We simply do not know enough about the implication of this bill and its meaning to those who wish to invest in Canada and who wish to invest in Mexico.

• (1300)

If I were a Mexican investor and I were faced with this legislation, the questions that I would ask about investment back in or joint ventures with Canadians could not be answered at this time.

There is no possible way even with this bill being passed, in the framework of the negotiations that are going on with a whole new change of trading partners, that this bill will have any relevance a year from now or two years from now if we sign the agreement.

I think that this bill just got stuck in the government's house works. Its name appeared on the Order Paper and was presented and the government thought: well, this is just a routine thing; let's get it through. It is not a routine bill, but it got captured in the bureaucracy. It got captured in the structure. It is thrust up in the House at a time when we are incapable of dealing with it.

This is not entirely a partisan appeal. It certainly is not without some partisanship, but beyond the partisan appeal that I am making there is a very real appeal that I am trying to present to the government. That is that this bill now is fraught with potential dangers just down the road, 18 months or 36 months from now.

When we take into consideration my hon. friend's historical analysis of how long it took to get this bill here, he suggested 15 years, once the bill is passed it would probably take another 15 years before we would get around to correcting it.

By that time, we could potentially be losing tens or hundreds of millions of dollars worth of taxes that should be coming back to the Canadian people.

I appeal to this government. If it is looking for items on the agenda of this House to do busy work there is other legislation that is far more advanced in terms of information, far more able to get through this House with a consensus, far more important at this point to deal with current problems than this bill.

This bill would entrench a system of taxation and counter taxation that may not have any relevance with Mexico whatsoever within a year or a year and a half.

I want to come to what a suspicious mind might think about this. Not mine, because I am a trusting soul. A suspicious mind might suggest that the government is rushing this bill through the House knowing in advance what the implications are in terms of double taxation on a treaty that it is negotiating without informing the House of the details of what its negotiating position is. That is what a suspicious mind would raise.

Far be it from me to raise any public suspicion on this government. It is too far down in the polls for me to add to that. But if that suspicious mind were accurate then it would go further to say that the way to get this bill though without controversy is ahead of the Canada–U.S.–Mexico free trade agreement, is ahead of the revelations of exactly what Canada's position is, and

ahead of any more release of secret documents as they were today under the aegis of Southam News.

I am the least suspicious member in this House, but I have it as a matter of fact that there are some who are far more suspicious than I am. They seem to have a great deal more experience than I as an *ingénue* in this Chamber, a somewhat chubby *ingénue* but an *ingénue* nonetheless.

I say with all great seriousness, the speaker who spoke before me in his articulate analysis of what Gulf has got away with, in his clear-cut and perfectly in order speech about the implication of those tax avoiders, has raised doubts in my mind that perhaps, to be charitable, this government knows not what it is doing.

But perhaps my colleague who spoke before has a suspicion that indeed it knows what it is doing, that indeed its friends who may supply campaign funds are anxious to see this kind of legislation. There are some sceptics in this country that actually believe the old axiom that Canada gets the best politicians that money can buy. I do not know if that is the kind of political science law that is being taught, but the nasty haste around this bill makes even an *ingénue* like me suspicious.

On this quiet Friday we will gently get this bill through. Not to worry about the changing dramatics of the Canada-U.S.-Mexico free trade agreement, not to worry about the implications of what Gulf has already got away with in Hibernia, not to focus on Siberia, as my good friend has used as an apt example in terms of this legislation and Mexico, but to quietly get this through so that those who will benefit are well protected before the *t's* are crossed and the *i's* are dotted under the Canada-U.S.-Mexico agreement.

My appeal is not made on partisanship, as much as I always love to appeal on partisanship. My appeal is made on common sense of which there is an absence of a great deal in this House.

Why the rush? Pull the bill. Let us find out all the facts before we are asked to vote. Otherwise, and I do not say this as a threat, I will be forced to publicly say that the assessment of my friend in the Liberal Party is absolutely correct. This is another bill to cover another sell out of Canadian taxpayers' interests.

It has nothing to do with Liberal ideology, nothing to do with the NDP and its philosophical position, nothing to do with the government's philosophical position. But it has everything to do with paying off the wealthy corporations that have used loopholes in this country time and time again to escape their fair share of taxes.

Fairness is what this is all about and fairness we must have. To be decent in attempting to reach that fairness, I ask the government to pull this bill off the floor. I know that after I have made this appeal it will immediately do so.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I would like to begin by complimenting my hon. friend opposite for the skilful manner in which I believe he tied his remarks to the subject on the floor, unlike some previous speakers.

I heard him say earlier that he had been a parliamentarian for 25 years and I thought he was very skilful in doing that.

However, I would like to remind the hon. member he suggested the bill should be pulled. I notice he made no identification, at least I did not hear him identify any flaws in any of the three treaties or the convention. He does not seem to have any difficulty with them.

He is suggesting that we should hold up the implementation of this bill, one element of which for example provides an opportunity for Revenue Canada, and indeed for its counterpart in Mexico, to exchange information to chase down tax evaders.

I assume that he would agree with the government that catching up with tax evaders is an extremely important thing and that we should do that.

I would remind him as well that right now there are 50 tax treaties virtually the same as these in force between Canada and various countries in the world. I would be glad to share with him a list of those countries.

I would remind him that we are in negotiation with 26 countries of the world to put together similar tax treaties. When we bring forward this bill, it would put in force three further tax treaties that have been signed but not yet put in force by legislation. That is what this bill is about.

This bill has nothing to do whatsoever, with all due respect, with trade negotiations between Canada and Mexico. It has to do with fulfilling the implications of the income tax revisions of 1971, putting together a system which makes it possible for Canadians to participate in

business and to do investments and not to be subjected to double taxation. That is what this bill is about.

It is not about Canada–Mexico free trade. I am wondering why my hon. friend is not expressing the same amount of concern about having tax treaties with the other 50 countries that we have them with or indeed with the 26 other countries that we are now negotiating with.

I would respectfully suggest and I would ask him therefore if he would identify specifically the flaws in the three treaties and the information exchange convention now before this House. If there are indeed flaws there, I wish he would identify them and bring them forth.

Otherwise I see no relevance whatsoever to his suggestion, which I know he puts in the best of faith, that we should withdraw this bill for six months.

• (1310)

Mr. Barrett: Mr. Speaker, I thank the member for his expression of closely held beliefs. On a Friday, to dispel myths for such an earnest speaker I do with difficulty. Since I am challenged to do it, I must do it.

My good friend suggests that this is a simple bill to avoid double taxation, that we have agreements with 50 other countries already, none of which is sitting down at the table changing the rules as Mexico is right now. Why not wait until we have decided what rule changes take place before we pass this?

Let me give one simple example to my friend, simply put so it is simply understood. If you, under this bill, intend to move your auto parts manufacturing to Mexico and this bill is enforced, what will happen is that existing rules under this bill will pursue your personal profits for taxation.

I put this to you on the belief that everybody is playing fair and square. My friend who spoke from the Liberal Party suggests that Gulf is playing within the rules, but are the rules fair and square?

The example I want to give is that rules of origin identify ultimately where a product is made and traced back and taxation is made based on rules of origin.

After we signed the Canada–U.S. Free Trade Agreement we had to be vigilant about rules of origin. I raised that question with the minister at that time. He said that we are making massive attempts to tighten up because of the change in the agreement. I said: "What have you done?" He said: "We have hired six more customs inspectors".

Cross-border shopping takes 106 more customs inspectors, let alone rules of origin. What is the impact of this when we sign the Canada–Mexico agreement?

The rules of origin are still flaunted. Some of the parts manufactured in Mexico today are unidentified. They are shipped across the border under the Maquiladora program. They are incorporated into American parts. That whole part is identified. That is shipped into Canada.

The only area of taxation that exists between Mexico and Canada now is eliminated because of the Canada–U.S. FTA and they are companies sending in subparts without identity and avoiding taxation to the Canadian taxpayer.

It is estimated that with that one loophole $3 billion is lost to the taxpayers of this country. Do you know what $3 billion would do if we close that loophole? A lot of jobs.

I did not mean to be harsh. I do not mean to punish this government. But when it displays such stupidity and then at times to compound it with ignorance, then it is far too much for me to take and my gentleness disappears.

By giving that one example I am trying to point out that we should not burden the Canadian taxpayers with further loopholes, unless we know exactly the kind of situation we are getting into with Mexico.

The government cannot say it today. It cannot even announce it today. The press has to pick out information that was secret. My questions were not even answered. My sensitivities were insulted for a week.

On top of that we have this bill. We are going to get hosed again. That is not good enough; it is simply not good enough.

I must now make a comment that I did not intend to make. This is a government that says it is businesslike. Businesslike administration run by businessmen, and I add for businessmen, by an astute, thoughtful group of

politicians. You do not even know when they are trying to sell you the Brooklyn Bridge.

This thing is full of loopholes, particularly when you do not even know yourself or cannot even say publicly what kind of agreement you are going to sign with Mexico.

Do not appeal to me with the idea of shells. Which shell is the pea under? In this shell game we have three shells and no peas under any one of them. We are being asked to sign it.

Just look at the rules of origin as they exist now and see the loopholes that exist. Pass this, and there will be loopholes to drive VIA trains through, that is the ones that are still running.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is with a great deal of pleasure that I follow the very thoughtful remarks of my hon. colleague from Esquimalt—Juan de Fuca who has laid out very, very clearly what is actually happening here today.

For those who might be watching this presentation this afternoon on a Friday in the House of Commons, I want to remind people that we are dealing with a bill that originated in the Senate, a bill called S-2. Its title is: "an act to implement conventions between Canada and Finland, Canada and the Czech and Slovak Federal Republic and Canada and the United Mexican States for the avoidance of double taxation with respect to income tax and the prevention of fiscal evasion and a convention between Canada and the United Mexican States for the exchange of information with respect to taxes".

There is an old myth around this place that if the government has something it wants to slip through, or if it has an announcement it wants to make and it wants to get as little public recognition as possible, the time to do it is late on a Friday. Late on a Friday is when the press gallery wraps up its affairs for the week and people's attention turns to items other than what is going on in the Parliament of Canada. It is a long-standing tradition that this is the way to low-ball data and information, this is the way to minimize public attention.

We were looking at the legislation in the last few days and we noticed this rather innocuous looking bill, Bill S-2, to establish taxation conventions between a number of countries. As everybody knows, Canada now has tax treaties with 50 different nations. Over the last number of months we have been negotiating six more tax agreements and there are still 26 outstanding for future negotiations.

It is not a surprise that we do this on a regular basis. We negotiate these tax arrangements to facilitate business between countries. In looking at the bill, Mr. Speaker, you will notice that, yes, it deals with Finland. There are certainly no difficulties there. It deals with Czechoslovakia, again there are no particular difficulties there. Then you start looking at some of the fine details.

When it comes to Mexico it says that it deals with factories, workshops, offices, branch plants, the development of natural resources and tax issues, of course, related to those. It deals with income from immovable property and business profits. It involves shipping and air transport taxation. It involves associated enterprises and the taxation thereof. It involves dividends and how they are dealt with, interest payments and how they are dealt with, royalties and how they are dealt with, personal services and how they are going to be taxed, capital gains, and the matter of apprentices and the taxation surrounding apprenticeships. It goes on and on.

We noticed that these would be of serious concern to those individuals wanting to do business in Mexico, to those corporations presently involved in the free trade zone in northern Mexico and the migration of many branch plants, American branch plants and others in Canada, to that free trade zone in Mexico in anticipation of the Canada-U.S.-Mexico free trade agreement being signed in the next few weeks.

Here we are then. We are asked to approve today a special taxation arrangement with Mexico while we all know that we are negotiating a free trade deal with Mexico at the same time. Those of us in the New Democratic Party think that this is folly. This is something we ought not to be doing, period.

We know what happened to Canada when we negotiated a free trade deal with the United States. We got hosed. At last count, if memory serves me, 500,000 jobs in the manufacturing sector have disappeared in Canada, largely because of the implications of the Canada-U.S. trade agreement. Many have been very up front. After all, we recognize that corporations exist to do business and maximize their profits for their shareholders.

• (1320)

They have announced day after day that they are closing down the Canadian operation and moving to Tennessee, Florida, Texas, Louisiana, Mississippi and Alabama to take advantage of lower wages, more lax health and safety regulations, and softer environmental regulations. In other words, it is a lot cheaper because a great deal more exploitation can be conducted.

As we enter into a free trade agreement with Mexico, we have concerns about the implications. What does it mean for Canada? What will happen to Canadian businesses? How will it assist us? What will be the cost? Of course, we do not know because all the negotiations are being done in secret. They are being done behind closed doors.

Today in the newspaper it said: "Secret papers show Canada to get less than it bargains for in the Canada–Mexico trade negotiations".

Another headline says: "The pact would cost jobs, government papers indicate". What government papers are these? Earlier today my hon. colleague from Esquimalt—Juan de Fuca asked the Minister for International Trade that considering senators from Mexico's parliament have had access to the documents being negotiated and have had the benefit of direct briefings and selected congressmen in the United States have had access to the agreement being discussed and have had intensive and extensive briefings, why have the parliamentarians of Canada and thereby the people of Canada been kept in the dark and have no idea what the negotiations are all about?

We read, presumably from papers that the Americans and Mexicans have seen, that jobs in the textile industries of Canada would be lost to a significant degree, that jobs in the footwear sector would be hammered mercilessly. As for agriculture, it says that grain growers, livestock producers, pork producers, and oilseed growers will have some problems. It also says there will be a massive shift of the auto parts and automobile industry to Mexico, particularly the free trade zones, from both Canada and the U.S. In other words, just a cursory glance at what is in those documents—

The Acting Speaker (Mr. Paproski): May I just ask the hon. member if he is reading from the bill or from some other notes? I am just trying to figure out why we are discussing free trade in terms of this particular bill. It concerns double taxation and property and development more than anything else. I do not see free trade in there and I would just like to know from where the hon. member is getting his information, other than out of this Bill S–2.

Mr. Riis: Mr. Speaker, I understand the concern. First, I was getting my information from American and Mexican excerpts, presumably from the secret free trade agreements which we have not seen but they have, as reported in today's papers.

Mr. Speaker, you ask about the relevancy of quoting from these secret papers that we have not seen. It is because Bill S–2 deals with double taxation, and double taxation occurs when Canadian firms do business in Mexico or Mexican firms do business in Canada. The free trade agreement is all about enhancing the amount of interaction between our two countries.

If we are negotiating a free trade agreement to expand and facilitate business activity between two countries and are debating today the taxation implications, the linkage does not seem to be particularly vague to me. As a matter of fact, it seems to be perfectly clear. That is why my hon. friend from Esquimalt—Juan de Fuca said this is out of step. We are entering into detailed taxation agreements not only before the free trade agreement has been signed but before a single one of us has even seen it, been briefed on it, or before we knew anything about it, other than what we have seen from leaked documents from Mexico or the United States.

Mr. McCreath: We do not have free trade with the other 50 countries involved.

Mr. Riis: My hon. colleague rightfully points out, and I think it is a very thoughtful intervention, that we do not have free trade agreements with some of the other countries we have entered into tax negotiations with, particularly Norway, Malta, Thailand, Spain, Singapore, Romania and others. He is absolutely correct. That is why I would propose to facilitate the taxation negotiations taking place and the signatures now required for Finland and the Czech and Slovak Federal Republic. I think we should do this expeditiously. After all, that is straightforward.

However, let us be cautious. After all, the third part of this bill deals with Mexico. I have indicated some of the

areas in which it deals with trade with Mexico: shipping and air transport, dividends, royalties, property, profits, workshops, branch plants and natural resource development. In other words, this seems to have serious implications for what we are apparently negotiating with Mexico and the United States.

I would suggest that a prudent approach would be to agree to proceed with parts I and II of this legislation, dealing with Finland and the Czech and Slovak Federal Republic, and set aside part III, dealing with Canada and the United Mexican States, until we see what this free trade agreement is going to mean for Canada.

I think it is fair to say that anyone who would speak honestly would say that the benefits of the Canada–U.S. agreement are difficult to find. I am not going to say that there are absolutely none. I do not think that would be fair. Obviously there have been some Canadian firms and Canadian workers who have benefited from access to the United States markets when there might have been more difficulties in past times.

I would suggest that for every job we have gained we probably have lost 100 jobs. I will give one example. My hon. colleague looks puzzled. Just the other day the response to an Order Paper question showed that there are thousands and thousands of Americans who have now used chapter fifteen of the Canada–U.S. Free Trade Agreement to access Canada who normally would not have been here pursuing those jobs which would be filled by Canadian workers. The free trade agreement has made it a lot easier for skilled tradesmen from the United States and professionals from the United States to do business in Canada.

Mr. Skelly (Comox—Alberni): And vice versa.

Mr. Riis: Technically vice versa, yes. My hon. friend will also know that there are a number of hurdles in the United States that make it much more difficult for Canadians to do business there than for Americans to do business in Canada. Somewhere between 40 and 100 per cent, depending on what sector you look at, is foreign owned in Canada as opposed to a foreign ownership of 4 per cent of the United States' economy. Naturally there are a lot more Americans doing business in Canada on an ongoing basis because they own such a large part of Canada. The free trade agreement simply made it easier for them to operate.

We all know that. That is on the table. We all understand that. Some want to continue. Others want to abrogate the free trade deal and get on with developing our own bilateral relations with the United States in terms of trade. However, the reality is that, although we in Canada know nothing about it because we are being kept in the dark, a trade deal is being negotiated between Canada and Mexico.

Our Mexican colleagues know about it, our American colleagues know about it, but parliamentarians in Canada have to rely on our American and Mexican friends in order to get any information. This is wrong. That is why I say it is also wrong to proceed today with this legislation to harmonize the tax laws between Canada and the United Mexican States to facilitate economic development between the two countries. It is misguided to proceed. I have yet to hear a good reason why we ought to proceed with this part of the bill.

I would urge the government members to give consideration to splitting. As it stands, I regretfully have to say that our party, the New Democratic Party, is not able to support this legislation in its present form. If it was to be split so that we can facilitate our agreements with Finland and the Czech and Slovak Federal Republic certainly we would endorse that.

Let us not put the cart before the horse. Let us not sign a taxation agreement with Mexico until we see what is in this free trade agreement with Mexico and whether we are going to benefit in Canada or be net losers as we are under the Canada–U.S. FTA.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I have a question for my colleague concerning the issue of double taxation. Right now double taxation is an inhibitor to Canadian companies moving down to Mexico, while other things might be more attractive. For example, in a recent news item I saw that Green Giant Foods, located in Texas, was paying its workers wages of $7 an hour. A worker for Green Giant would go to the plant and make $56 a day canning produce or processing food.

• (1330)

Then Green Giant suddenly closed its plant in Texas, I believe it was, or Arizona, and moved across the border into Mexico where it was paying its workers $4.80 a day.

Think of that: wages of $56 a day being paid in the United States, and that company moved almost within sight of the original plant, across the border into Mexico, and was paying its Mexican workers $4.80 a day. The savings in wages was something like 90 per cent over what it was paying its American workers.

The same thing would apply in Canada if a Canadian plant were moved to the United States. It would be saving something like 90 per cent of its wage bills.

Nobody saw the can of Green Giant corn go down in price by 90 per cent. There was no benefit to the consumers. All of that money went to additional profit for the processing company.

If we had the current tax regime as exists between Canada and Mexico, Canada would be able to tax that whole 90 per cent increase in profit which that company gained as a result of the lower wages in Mexico. Canada would be able to pay, for example, for adjustment programs, for unemployment insurance programs for the workers who were put out of work in Canada. Under this piece of legislation, the government not only wants to give those jobs to the Mexicans, the investment to the Mexicans, and the profit to that company, but it also wants to give it a tax credit. It wants to give that company a tax credit for the tax it pays in Mexico.

Canada loses out on all counts. I have not heard anything in the government's position in this debate today that Canada is going to gain anything from this piece of legislation in conjunction with the Mexican free trade legislation.

I would like my colleague to elaborate on that. Should we be giving jobs from highly paid Canadian plants to Mexico, where they make one-tenth in wages of what they make here, and allow the profits to increase accordingly for that company for moving from Canada to Mexico? Not only that, but based on this legislation, should we make sure that the Mexican government gets to collect the taxes and we give the company credit for the taxes that it pays in Mexico?

What a bunch of losers. They are creating a situation for themselves in which Canadians lose on all counts. I appreciate the speech that my colleague from Kamloops made and hopefully he can elaborate on that.

Mr. Riis: Mr. Speaker, I do not believe there is much to elaborate upon when I listen to the point made by my hon. colleague. He paints a puzzling picture.

I will simply elaborate on the most recent statistics I have seen in terms of manufacturing wage rates. Consider a situation in which a person who had $20 million at his disposal and wished to begin a manufacturing line. He wanted to start a new plant to manufacture some product. You have three choices under our Canada–U.S.–Mexico free trade deal. You can locate your plant in Canada and you would pay your employees on the average between $10 and $15 an hour, or you could move to the southern United States and open in South Carolina, Alabama, in Mississippi or in Louisiana, and you would be paying on the average between $6 and $8 an hour, or you could go over the line into the northern tier of Mexico and pay between $24 and $28 a week.

Unless you were insane, where would you be tempted to locate your plant if labour were an important criterion in your operation? Obviously, if it were power, if there were some other elements, you might be encouraged to locate elsewhere in the North American context. Labour is critical and we see it in the news today. That is why the American congressmen and the Mexican senators are saying that the businesses in Canada, particularly in the auto industry, the auto parts industry, the textile industry, the footwear industry and in agricultural processing, had better be careful.

You could open a factory or a plant in Mexico and pay people $24 to $28 per week for labour. That is working six days a week, I might add, with virtually no environmental, health and safety laws being enforced and virtually no labour regulations enforced. That is what we are seeing. We are seeing exploitation in that free trade zone in northern Mexico.

It is perfectly clear that Canada cannot be a net winner in this kind of an arrangement. We have seen under the Canada–U.S. Free Trade Agreement the migration of plants to the southern United States. Even within the United States, Americans are noticing that there is an exodus out of the northern rust belt into the sun belt. The United States Congress is becoming increasingly

concerned that entering into a free trade deal with Mexico may not be in the best interest of American citizens. American corporations, yes.

Let us face it. When we tear away all of the dialogue and all of the rhetoric surrounding the Canada–U.S. Free Trade Agreement, there are people who benefited. The corporations benefited. They can do business more cheaply. They can make more money for their shareholders. For Canada and Canadians, unquestionably we were losers.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, just very briefly. I look forward someday to debating Canada–U.S.–Mexican free trade in this House. Today is not the day because that is not the subject on the floor.

I listened to my hon. friend from Kamloops very carefully and I took down one sentence he used. It seems to me that my hon. friends in the New Democratic Party have shared a lot of gobbledegook with us today.

One statement my hon. friend made in his initial speech when referring to the Canada–U.S. Free Trade Agreement was, and I quote: "We should abrogate the free trade deal, then get on with developing bilateral trade with the United States". I think that demonstrates that my hon. friend really has a lot to learn about trade.

Mr. Riis: I guess we will have a chance to debate the Canada–U.S.–Mexico free trade deal. I hope we never have that opportunity. That is one opportunity I would just as soon miss.

I believe, from what I have heard Canadians say, that they do not like the free trade agreement with the United States. They think it should be abrogated. That is why I think I can say without any hesitation that, speaking on behalf of the New Democrats in the House of Commons, if we have an opportunity after the next general election, in whatever capacity, to abrogate the free trade agreement with the United States, we will. That is clear. We will end the GST and we will end the free trade deal with the United States.

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, the hon. member has just said that he speaks for Canadians who want the free trade agreement abrogated. There are others who do not. I think the facts speak for themselves. The Federation of Canadian Municipalities states in its latest publication: "Canadian exports to the U.S. have increased by 8 per cent since the agreement went into effect, but exports to the rest of the world have declined. Furthermore, since 1988, Canadian exports have performed more poorly in sectors where they were not subject to the free trade agreement".

I hope that we can keep our senses here so that we do not also have to abrogate a free trade deal with Canada, the United States and Mexico.

Also, Mr. Rutley, Economist for the Canadian Manufacturers' Association states:

> Manufacturing job losses in industrialized countries during recessions traditionally average between five and eight per cent of the entire manufacturing work force. So far, Canada is in the middle, with 6.6. per cent loss between October 1989 and October 1990. By comparison, during the last recession of 1981–1982 and in the absence of a free trade agreement, losses were nearly double for the same period of time. Between October 1981 and October 1982, some 11.8 per cent of our manufacturing jobs were wiped out.

The article goes on to say:

> Free trade has been and will continue to be good economic policy because it ensures access to the world's best market and forces Canada to become more efficient. About the only serious negative since free trade has been the misconceptions visited upon a gullible public.

Most of those misconceptions have been made by the NDP.

• (1340)

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Mr. Milliken: Questions are not terminated.

The Acting Speaker (Mr. Paproski): Yes, they are. Would you like to have a question or a comment?

Mr. Milliken: Yes.

The Acting Speaker (Mr. Paproski): The hon. member for Kingston and the Islands. I will recognize him on a question or a comment.

Mr. Milliken: Mr. Speaker, I thought you had mentioned that the time had expired.

The Acting Speaker (Mr. Paproski): The hon. member for Kamloops would like to rebut the hon. minister.

Mr. Riis: Mr. Speaker, on a point of order, I do not want to rebut. I will respond to the minister, but I assume if we are going to continue I will have a chance to respond to the question.

Mr. Milliken: The hon. member is trying to kill the time if he can.

The Acting Speaker (Mr. Paproski): The hon. member can respond to the minister.

Mr. Riis: Mr. Speaker, my hon. friend from Kingston and the Islands suggests that I am trying to avoid the time. I am prepared to stay here all day and respond to points and queries that people will make. I say that very seriously. I am prepared to stay the whole night as well.

I think this is excellent. For the first time we are getting to the base of this, and the government is trying to sneak through a piece of legislation that is connected to the Canada Mexico free trade deal before we in this House have ever seen it.

In response to my hon. friend, she mentions the Canada–U.S. Free Trade Agreement. I want to remind my hon. friend that before the free trade agreement with the United States was entered into, 80 per cent of all of our trade with the United States was tariff–free.

As a matter of fact, in excess of 90 per cent, 94 per cent or 96 per cent, of our trade with the United States was with tariffs no greater than 5 per cent. In other words, to a large degree, we have been trading freely across the Canada–U.S. border for years and years.

There were certain areas in which obviously we had concerns. The auto pact was a good example of that. We had an auto pact which was negotiated to protect the Canadian auto industry and auto parts industry and the tens of thousands of jobs therein.

That has gone by the board now. We are seeing in today's papers that apparently in this new round of discussions with the Mexicans further erosion is going to occur in that critical sector of the manufacturing economy of Canada.

It is for those reasons that many of us are concerned. That is why I say categorically that given the opportunity, the free trade deal with the United States will be abrogated.

The Acting Speaker (Mr. Paproski): I still do not see the relevance here as far as this bill is concerned. I hate to say that.

The hon. member for Kingston and the Islands has a question or comment. There are three minutes left.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I enjoy the hon. member for Kamloops, flights of fancy as much as anyone in the House.

I agree with the comments the Chair has made that the relevance of this bill to any free trade agreement seems so far–fetched to be beyond any belief.

Since he has raised the issue and says that the New Democratic Party is committed to abrogating the free trade agreement, I wanted to ask about his former colleague, now the premier of Ontario, Mr. Bob Rae.

Mr. Rae has a position of some prominence in the country. He makes pronouncements on various issues, and he professes not to be a great friend of the present government, although he acts very much like the former Minister of Finance, the member for Etobicoke Centre. When there are any financial dealings coming along, we see the similarity between the policies of the government here and the government in Toronto every day. It is unbelievable. It is a mirror image one of the other. I have never heard him say that he is against the free trade agreement. I have never heard him ask the federal government to tear up the free trade agreement.

If that is the policy of the federal New Democratic Party, why is there no support for this policy forthcoming from the premier of Ontario? Why do we not have someone in a position who can make this claim and ask the federal government to act responsibly and get rid of this agreement? If that is the position of the New Democratic Party, why does the premier not come out and say that with force? Why does he not make a public pronouncement calling on the Government of Canada to get rid of this agreement?

That is what I would like to know.

Mr. Riis: It seems that my hon. friend is still somewhat vague as to what the policy may be in terms of the free trade agreement with the United States.

Unlike the Liberal Party, let me make it very clear: It is to abrogate the free trade agreement. It is to do away with the free trade agreement. It is to oppose the free trade agreement.

That has been the New Democratic Party position since the very beginning. I find the question somewhat puzzling because the previous Liberal premier of Ontario was one of the more outspoken opponents of the free trade deal.

That tradition goes on. With all due respect to the Liberal premier, he realized that the free trade deal would devastate the manufacturing base of Ontario. He knew that. Bob Rae knows that as well.

That is why it is our policy, unlike the Liberal policy and certainly not the Tory policy, to abrogate the free trade agreement. This is not a trade agreement in the best interest of Canada or Canadians.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the second time and referred to Legislative Committee F.

* * *

MISCELLANEOUS STATUTE LAW AMENDMENT ACT, 1991

MEASURE TO AMEND

The House resumed from Thursday, February 6, consideration of the motion of the Ms. Campbell (Vancouver Centre) that Bill C-35, an act to correct certain anomalies, inconsistencies, archaisms and errors in the Statutes of Canada, to deal with other matters of non-controversial and uncomplicated nature therein and to repeal certain provisions thereof that have expired or lapsed or otherwise ceased to have effect, be read the third time and passed.

The Acting Speaker (Mr. Paproski): When the House rose on yesterday there were two minutes remaining in the question and comment period following the speech of the hon. member for Moncton. I will now recognize hon. members who wish to continue the question and comment period. Are there any questions or comments?

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, members of the Official Opposition, the Liberal Party of Canada, have observed in this legislation the complexity and the non-existence of explanatory notes as they pertain to all of these pieces of legislation.

The danger in passing a bill like this one is that perhaps the House of Commons is passing a major change to legislation that is called in the title non-controversial and of a non-complicated nature therein.

I was looking through this bill a moment ago and it has prompted me to make an intervention. I arrived at the portion of the bill, at page 15, concerning a change to the Coastal Fisheries Protection Act. The change is to paragraph 6(b). That is a famous part of that legislation. It is so controversial in Canada. In fact it is the most controversial part of any fisheries legislation that has ever passed in this country since we have been passing legislation. It is the most controversial part of the Coastal Fisheries Protection Act.

• (1350)

The explanatory notes say this:

> Clause 43. This amendment, which would add the underlined and sidelined words, would ensure that the terms and conditions that are specified in licences need not be prescribed by regulation.

What licences? The amendment says:

> (b) respecting the issuance, suspension and cancellation of any licences or permits — the fees payable — their terms and conditions —

Then the additional words: "which are in addition to such terms and conditions, if any, that the minister may specify therein".

I will tell you what this is. I do not blame the drafters of the legislation because they are not to blame. We have some of the best drafters of legislation in the world. It is what they are told to put in. The licences they are referring to here are the licences for foreign fishing vessels in Canadian waters.

Hidden away, not mentioned, they are the licences of foreign fishing vessels in Canadian waters. The bill now allows the Minister of Fisheries and Oceans to change

whatever portion of those licences he wishes and the fees to be charged in those licences.

There is such a thing as parliamentary democracy. We are supposed to be told these things because the people of Canada only know through this Parliament a lot of things that go on in government.

I am holding here a remission order that forgives the Government of France a half a million dollars on its fishing licences. When we pass this legislation we will never know when things such as this take place in the future. We will never know.

What the government does not explain in this legislation is that part A of the original act, the Coastal Fisheries Protection Act, sets out all of the terms and conditions of licences that are granted to foreign vessels to fish in Canadian waters. It spells them all out. It talks about the people who can work aboard those vessels, that is foreign crew members. It talks about what they can do, where they can go. It spells out all of those things.

In paragraph (b) that we are amending, it talks about the forms. It now says in an amendment that all of this, all that bill requiring it to be done by regulation can now be done by the minister.

How serious is that? Well, it is very serious. In this month, in this week, on this day there are foreign factory freezer trawlers licensed by the Government of Canada under these regulations off the coast of Canada up at a fishing zone called 2G and 2H. These trawlers receive their licences under this bill and they are fishing for codfish. They have a higher quota for cod in zones 2G and 2H on the Labrador coast than Canada does. They have a higher cod quota than Canada does.

Why is that so serious? It is so serious because we are now into the month of February. The month of February is the pre-spawning time for our codfish, the great northern cod stock that feeds all of our fish plants on the east coast of Canada. They are wintering and preparing for their spawning season in the month of March.

These are the only boats that are disturbing those spawning groups. It is not the ordinary Canadian inshore fisherman. He cannot get up there because of the ice. It is not the trawler of National Sea Products Limited or Fisheries Products International. Why you could take a Canadian trawler of 175 feet long, drop it in the hold of one of those Soviet mother factory freezer trawler ships, they call them, and you would need search and rescue to find the Canadian boat. These are 470-foot vessels with the latest in technology.

Mr. Milliken: They've got a licence.

Mr. Baker: They are licensed by the Government of Canada under the section we are dealing with here today. Under this section the minister will be able to give whatever licences he wants. He will be able to set whatever terms he wishes and he will be able to forgive the money that he forgave in a cabinet order for the government of France, but he will be able to do it Secretly.

It is not only the damage that is done to the spawning and the pre-spawning fish stocks, for four weeks those cod involve themselves in a very complex exercise prior to spawning and they cannot be disturbed. All of the scientific studies that have been done in Norway, Sweden and Denmark show that you cannot even drop food into that zone of pre-spawning activity because they will then not spawn. It is the foreign vessels licensed by Canada that is disturbing this process. Not only that, but they are catching fish.

The minister says: "Some of those fish are underutilized". Granted, you could say yes. I notice that nine foreign nations have quotas for what they call grenadier. I have never seen a grenadier in my life, but I am told it is a long, slinky fish with a great big swelled head like some people I know in the Government of Canada. They are given capelin that Canadians cannot fish because it is a restricted fishery. They are given squid and they are given mackerel. Mackerel is the only fish in the ocean that I know of that sinks if it stops swimming because it does not have an air bag, unlike some people in the government that I know. They are given herring. They are given fish that are restricted.

The other day, the minister of fisheries gave seven licences to Japan under this provision in the act to fish tuna. What did he do? He gave them a bigger quota in Canadian waters for bluefin than he gave to the fishermen of Canada. He even issued them an unlimited quota of albacore, big-eye, yellow-fin. Imagine, that is what you buy in the store in tins, the big-eye and the

yellow-fin. We say to the minister of fisheries: "Forget your yellow fin, open your big eye and kick them out".

• (1400)

Some are licensed under this section that I think should be pursued that we do not pursue. Take, for example, the ones that are licensed to go down around the riding for the hon. member from Cape Breton, our House leader, to catch sharks.

When you go to a restaurant and you pick up shark fin soup, that comes from a foreign vessel licensed by Canada from the Faeroes Islands. In fact, the name of the boat is *Baker*, not to be confused with Baker. They make a lot money as they fish for shark.

But all of those other licences granted by the Government of Canada, given permission to do so by regulation, change the licence by regulation, change the fees by regulation for giving France half a million dollars on their boat licences.

Now, under this bill the minister can do it by himself. Without going through any regulatory change, he can change the licences. He can issue the licences. He can give remission orders for non-payment.

Speaking of non-payment, do you know that today there are dozens of factory freezer trawlers from foreign nations that have not paid there fees for the last two years? Do you know what happens to Canadians if they do that? They do not get their licence.

This is a double standard. As our House leader pointed out one day back in December in the House of Commons, it is a system that has led to the destruction of our Canadian fishing resource.

Instead of passing a bill here today that allows the minister to further erode our resources behind the scenes, in his office on the weekends, to further erode in the secrecy of his office instead of going with orders, with cabinet decisions, with regulations, is a further destruction of our fishing resource.

I move:

That the question be now put.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I congratulate my colleague from Gander—Grand Falls on such a superb intervention here this afternoon. It brings to the attention of many members of Parliament some of the real serious issues that are affecting the fishing industry in Canada.

The seriousness with which this issue is put forward today also underlines, if you will, what I would deem the gross negligence of the Department of Fisheries and Oceans and in particular the minister responsible for that department who unfortunately is not here.

The minister is grossly negligent in responding to the concerns that Canadians have raised time and time again with regard to this particular provision that my colleague has so rightly pointed out.

The entire thrust of Bill C-35 and all of the amendments which are tied into this particular bill need further clarification, further debate, further examination by all members of this House.

In December of 1991 I raised on the floor of the House the question as to why the government was proceeding to change the Atlantic Canada Opportunities Agency in sections 9 and 10 of Bill C-35.

This amendment would substitute the heading "Reports" for the heading "Annual Reports". It would better reflect that fact. Section 21 deals with more than annual reports.

It would mean in essence, instead of every year having a comprehensive report on the activities of the Atlantic Canada Opportunities Agency, that they would only be coming forward every fifth year. I wonder why, and I think of the word sneaky. That is the word that I use.

I guess I was somewhat reflective over the holidays. I said to myself: "Perhaps that word was too strong, sneaky". I reflected and I went for a walk in the snow. I came back and I reflected again. I said to myself: "Is it sneaky, or is it not sneaky?"

Then my colleagues, unbeknownst to me, on December 24 gave me information that relieved me of some of the doubts I had with regard to words I used in this Chamber. I felt vindicated because I had used the word sneaky on several occasions.

What was given to me on December 24 was a series of documents outlining very clearly all the expenditures of the Atlantic Canada Opportunities Agency during and just preceding the federal election of 1988. I was astounded.

Then I was given a second document only to find that three years later most, if not all, of the programs and projects for Enterprise Cape Breton for the year 1991 were reduced by over 80 per cent.

I use the word sneaky. I said the government was sneaky. I did not say the minister was sneaky because that would not be parliamentary. But sneaky is sneaky.

I think this government opposite has been exceptionally sneaky with the Canadian people and in particular those of us who reside in Atlantic Canada.

I would have hoped that on this particular day ministers of the Crown would avail themselves of the opportunity to participate in this important debate. I want to add I only see one minister of the Crown.

• (1410)

An hon. member: There are two.

Mr. Dingwall: Somebody says: "There are two". There are two, but I want to say that I only see one minister of the Crown who is responsible for transport. I know that minister would want to avail herself of the opportunity to talk about the excessive user fees which this particular minister and the government are imposing on airports and flight users in this country, particularly in Atlantic Canada.

We were sold a bill of goods back some years ago. We were told by the incumbent government that the Atlantic Canada Opportunities Agency would be the panacea for resolving all of the ills in Atlantic Canada. Now we have found repeatedly, time after time, other agencies of the Government of Canada such as Transport Canada, for which the minister is responsible, that have introduced user fees in an excessive amount. This will only hamper our very weakening economy in Atlantic Canada.

But now I understand why Bill C-35 is before the House. It is a sneaky bill. What do they want to do? They do not want us to review the comprehensive report. I am not referring to the annual report, because under the legislation of the House and under the statute itself, as I am sure the Solicitor General would attest, they must file an annual report. The comprehensive report will not be given until when? Every fifth year. We will not be able to find out about how damaging the activities of Transport Canada are for Atlantic Canadians.

I would not say that the Minister of Transport or the Minister of State for Transport is sneaky. That would be inappropriate, but I suggest to the Chair that this bill and this government are sneaky. I feel very vindicated and I want to thank my colleagues—the hon. member for Cape Breton Highlands—Canso, the hon. member for Cape Breton—The Sydneys, the hon. member for Gander—Grand Falls and all my other colleagues in Atlantic Canada—for providing me with what I guess we could call somewhat of a Christmas present on December 24. They presented me with those documents which reaffirmed my suspicions about the activities of the government opposite as it relates to Atlantic Canada Opportunities Agency.

Mr. Speaker, I am sure you would probably get unanimous consent for me to speak on. I am sure members opposite would want to hear me and would not want me to lose the opportunity to reveal more information as it pertains to ACOA. The fact is that this government has left an agency trumped up prior to election year as the panacea for economic development in Atlantic Canada. Recently it has been cut adrift by its political masters in Ottawa, namely the minister responsible for ACOA, the Prime Minister and the Minister of Finance.

All over Atlantic Canada we have example after example of Canadians without work, Canadians who have a desire to be at work, and a generation of young Canadians who have a great cause, the cause to participate in a Canadian economy so that they can make their contribution as individuals and perhaps subsequently, in later years, as spouses and family members.

This government precludes that opportunity. Time and time again it has put up road-blocks. It has not built roads. It has put up road-blocks.

Today 92,000 young people, more so than in January 1991, are without work as a result of the government opposite. All we get from the minister from Atlantic Canada, as we heard in Question Period today, is that he cannot do anything. He does not know what to do. He has no ideas. He has no principles with which to base any sort of sound public policy. All he does is sit and wait, fold his hands, cross his fingers and hope that the market forces will produce the necessary jobs for the young people across this country, including those in Atlantic Canada.

I say to members of the government opposite: "That is not good enough". For those of us who have entered public life to serve this country and try to assist individuals both young and old to improve their lot in Canadian society, I say to the government: "If you don't have the ideas, if you lack the political will to exercise whatever those thoughts may be, you ought to do the most prudent thing and that is to resign. If you can't resign, you should do the next best thing and that is call a general election and allow the people of Canada to decide".

Let me now talk about the Atlantic Canada Opportunities Agency and how it interfaces with other agencies of the Government of Canada. I have made references to Transport Canada. Let me make references, if I may, to Employment and Immigration.

Just last month in Halifax I was extended an invitation to attend a meeting of all the managers and senior staff of the CEIC offices in that province. I told each and every one in attendance that job development moneys, which have been put on hold by this government, were an absolute necessity in order to get people back to work. I have written to the minister on that. First I thanked him for extending an invitation for me to attend those deliberations. Then I told him that there were communities throughout this country with exceptionally high unemployment and very few prospects that the economic picture may change in coming weeks and months. I told him that he had a responsibility, whether it be in Lockeport, Glace Bay, Gander, the city of Montreal or the city of Ottawa, wherever those situations are, to try to assist.

Hundreds and hundreds and hundreds of my constituents in such municipalities as Glace Bay, New Waterford, Dominion, Cape Breton County and Richmond County have no hope of any foreseeable employment within the next 12 months.

The government says: "Where are we going to get the money?" I will throw out a little figure. In 1989 the advertising budget of this particular government was well over $75 million. That was so ministers of the Crown could get the seal of the Government of Canada, their pictures, their names, with PC, MP, or QC, whatever, on documents to distribute throughout the country.

When the Minister of Employment and Immigration stands weaving and bobbing that he does not know what he can do to assist the people of Canada, I suggest to him that he ought to do an examination of expenditures in house. Seventy-five million dollars would do wonders in constituencies like mine and Gander—Grand Falls. No, it would not be the panacea. It would not resolve the real turmoil these individuals are confronted with, but it certainly would be of some assistance. It could also help countless numbers of Canadians who are going to the food banks.

I have been a member of this House for almost 12 years. I have never seen it like it is today when I walk the streets here in Ottawa and I meet the great numbers of homeless people on the Sparks Street Mall, where stores are closing one after another.

• (1420)

This government has the unmitigated gall to say: "We do not have any money". It takes $75 million dollars to see the picture of the Solicitor General or the Minister of Labour, whose looks are surprisingly better than mine. At best you could hire them for a haunted house and make millions of dollars with them. I say to my colleagues opposite: Do not pour out your heart to us on the floor of the House of Commons that there is no money in the kitty. There is some money in the kitty, and it is your obligation to find those dollars and to spend them wisely and prudently for those individuals who need the assistance of the Crown at a very difficult time in Canadian history.

In the time I have remaining I want to say to members opposite that the situation is grave. The time for action is now. There is a call which has gone out across this country asking members of Parliament, and in particular members on the government side, to assess, to listen and, above all, to act.

The refusal to act is the equivalent of saying—I know the Minister of Labour is listening very attentively— that you do not care. I would ask, I would urge and I would implore that members of the government seriously reflect on how they can put money in appropriate agencies across this country to facilitate economic growth in order to provide Canadians, wherever they may be, with an opportunity for a decent living, and to provide assistance to the ones they live with.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I would have to say in all honesty that my hon. friend should recall the reality of the situation in this country which is that if the government, of which he was a supporter, had not been such a profligate spender as it was in the period from 1974 to 1984, it would not have left this country in the financial mess it did and burden the Canadian taxpayer and the Canadian people with the debt that this government, to its credit, has been trying to clean up and attend to in the last seven years.

I have another comment and this is really why I rose. My hon. friend was to some extent caught up in the rhetoric of the hon. member for Gander—Grand Falls and the mythological speech that he shared with us about the Atlantic fishery. He made suggestions and implications with respect to the Minister of Fisheries and Oceans.

Then my hon. friend from Cape Breton—East Richmond got up and used the word negligence with respect to the Minister of Fisheries and Oceans. My hon. friend does no credit to himself and no credit to his party when he uses that word with reference to that minister.

I would like to say here that no minister of the Crown in this country has ever served his province of Newfoundland and Labrador, Atlantic Canada and this country with the devotion and the effectiveness as the Minister of Fisheries and Oceans.

My question to the hon. member is: Will he rise in his place and apologize for the suggestion that any action of this minister could be associated with the word negligent?

Mr. Dingwall: I thank the hon. member for his kind intervention. I assure him that his views will be reflected upon most sincerely by me. I accept his observation that my reference to the minister as being negligent may have been a harsh and untimely chosen word for the Minister of Fisheries and Oceans.

I am not certain I said that.

An hon. member: You should have if you did not.

Mr. Dingwall: So the hon. member is crystal clear, I do not think I used the word negligent. I think I used the words grossly negligent, which is a much stronger term. If there ever ought to be an individual castigated on the floor of the House of Commons, it is not only the minister responsible for the Atlantic Canada Opportunities Agency, but everyone who sits on the front bench. If there has ever been a group of Keystone Kops, it is that group. They remind you of the monkeys that used to advertise for Red Rose tea; the only thing is they can never get their song together for the same verse, as we have seen here today.

Yesterday the Minister for International Trade said there was no draft free trade agreement with Mexico. Only today he admits there is one. He does not do an impact study with regard to the issues affecting GATT, but at the same time he does an impact study with regard to the free trade agreement and does not wish to share the information with all Canadians.

The hon. member is well respected in the province of Nova Scotia, not only in the constituency that he represents but by the people across the province. I say to him that perhaps the best way that we should settle this particular dispute on the definition, on the etymology of the word negligent and gross negligence, is let us go to the people. I will put my seat on the line if that hon. member opposite will put his seat on the line and winner take all; winner take cabinet post, winner take all. That is the offer that I make to my distinguished colleague across the way. Perhaps he will no longer be a distinguished colleague. He may become an extinguished colleague of the Conservative Party.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, before this bill gets rammed through by the impressive majority I see over there, I would like to say a few words on certain aspects of it. I cannot undertake for the House to give the kind of gut speech and at the same time cerebral speech that my friend from Gander—Grand Falls has given; nor the kind of speech that my good friend from Cape Breton—East Richmond has treated us to.

There are, nevertheless, a couple of things I want to say. Perhaps not a bad starting point is right where my friend from Cape Breton—East Richmond finished. He was responding to a concern that had been expressed by my good friend from South Shore. The gentleman from South Shore had taken exception to some remarks by my colleague from Cape Breton—East Richmond to the

effect that the minister of fisheries, my distinguished friend from St. John's West, was negligent.

To set the record straight, as the usual impartial observer I can be from time to time, maybe I should say to my friend from South Shore that instead of getting into a shouting match between himself and the gentleman from Cape Breton over whether he did or did not do it, maybe there is a more dispassionate way to decide whether this minister is even capable of negligence, this great friend of mine from St. John's West.

Let me give an example which is very much on the public record, an example that affects my own riding of Burin—St. George's more so than any other riding, an example which also has national implications. In so far as fishing treaties are concerned, two particular agreements were arrived at in recent years to which I would like to refer. First of all, I refer to the agreement setting up NAFO, the Northwest Atlantic Fisheries Organization which flowed from the Law of the Sea Conference that established the 200-mile limit in 1977. That agreement provided that the 12 signatories, which we members of NAFO, to use the acronym, Northwest Atlantic Fisheries Organization for the fellows from Toronto, including Canada, including the European Community, in September of each year were to be assigned with respect to the following fishing season a certain quota, a certain allocation, a certain number of metric tons of fish which they could take, having due respect for conservation concerns of the fish stocks in the northwest Atlantic. A very simple and commendable process.

• (1430)

From 1977, as the member for South Shore will know, through 1978, 1979 and 1980 and through 1981, 1982, 1983, 1984, every signatory, every one of the 12 members of NAFO without exception, therefore including the European Community which will become important later, honoured the agreement and stayed within the quota and there was no overfishing whatsoever, none.

Beginning in 1985 the system was the same but the results were different. Beginning in 1985, 11 of the 12 signatories continued to honour the agreement and one began to massively overfish. That one was the European Community and specifically two members of that community, Spain and Portugal.

Beginning in 1985 that member of the European Community whose quota was 23,200 metric tons actually take 23,200 metric tons. In 1985 it took 172,000 metric tons. It took eight times its quota.

In 1986 it took 12 times its quota, 12 times as much fish as it was supposed to take under an agreement which it had signed. And so it went on. In 1985 and 1986 there was massive abuse, massive destruction, massive pillaging of the fish stocks that my people in Burin—St. George's and people elsewhere in Newfoundland depend on for their livelihood, either as workers in fish plants or as fishermen and fisherwomen on the boats.

That massive, unconscionable pillaging went on through 1985, 1986, 1987, 1988. It went on through 1989 and 1990 and has gone on through 1991. I predict it will go on through 1992. That is one-half of the example. Let me give you the other half. That is the NAFO issue and I have told how there was massive abuse of the fishing in respect to that agreement.

There was another agreement signed between Canada and France, a bilateral agreement just between those two countries, addressing fisheries issues and the fishing rights of those two countries in so far as the Gulf of St. Lawrence and an area known as 3PS, an area basically south of the island of Newfoundland and around the islands of St. Pierre and Miquelon. There were agreements signed there that allowed, among other things, for France to take certain quotas. That agreement was signed in 1972 and it said that, depending on the advice of scientists and marine biologists, France would be allowed to take a certain tonnage each year. That agreement was signed in 1972. Would you believe that beginning with that agreement, for 1973 and 1974 and 1975 and each year thereafter, France stayed within the quota. Whatever the quota was for that year, it took. Whatever it was for 1975, it took; for 1976, it took. It never exceeded the quota. Right up until and including 1984 France honoured that agreement and stayed within the quota of fish it was allowed to catch off the coast of Newfoundland and Nova Scotia.

Beginning in 1985 things changed dramatically. Instead of catching its 1985 quota of 9,500 tonnes France took 25,800 tonnes. In 1986, instead of staying within its quota of 9,500 tonnes, France took 26,000 tonnes. In short, beginning in 1985 France began to take approximately

three times its quota under its bilateral agreement between Canada and France.

France has continued to do that essentially until this day or, to be more correct, until a year or so ago when this government entered into an agreement, and the purpose of this latter agreement of 1990 or 1991 was right. The purpose was right. The methodology was a bit naive but the purpose was right. It was to get France to the table, which it did.

However, the way it did it was to say: "France, you have been stealing from us. Instead of taking 9,500 tonnes which you are allowed under the agreement, you are taking 26,000. Let's make a deal. Instead of stealing 26,000, will you agree just to steal 17,000? How is that for a deal? We will let you steal fish but only steal twice as much as you are supposed to, instead of three times as much". That is an aside.

The real point I want to make is that in 1977 NAFO signed an agreement and until 1984 that agreement was honoured. Beginning in 1985 the European Community abused it terribly.

On the other hand France signed an agreement with Canada which it continued to honour until 1985, at which time it began to abuse it terribly. I have given the figures.

In both cases there was agreement and both sides worked within the agreement until and including 1984. There was abuse of the agreement beginning in 1985 and has been ever since. Why did massive overfishing begin in both cases in 1985? The short answer must concern the fact that there was a change of government and with it a very definite change of approach as to how to treat France, Portugal and Spain.

As of 1985 the message went out to Portugal, Spain and France that a new crowd was in charge over here, a crowd that did not care how much they pillaged the fish stocks, how many Newfoundlanders in fish plants they put out of work, how many fishermen from Nova Scotia and Newfoundland they put out of work in the fishing boats. "Pillage the stock if that is the way you feel", was the net message that went out.

What does this have to do with what my friend from South Shore asked a minute ago when he was a little concerned about the suggestion that the minister from St. John's West could be characterized as negligent? He is a minister, bless his cotton-picking soul, the only minister we have had in the cabinet from Newfoundland since September 1984. There has been no other, just him, just that one man from September 1984 until the present. The overfishing began in 1985, within six months of his becoming the minister.

The French, Spanish and Portuguese walked off with literally tens of thousands of tonnes. They wiped out thousands and thousands of Newfoundlanders' jobs, those of the minister's fellow countrymen and some of his fellow constituents. They caused a shutdown at the plant at Trepassey in his riding because of fish stocks. They caused a shutdown of the plant in St. John's in his riding as a result of the fish stocks issue. What was he doing?

Mr. Speaker, do you believe, and if you do not just check *Hansard*, that from 1984 through 1985 when overfishing by those three countries began it continued through 1986, 1987 and 1988?

• (1440)

How many times was the overfishing by foreigners issue raised publicly in this House? It was raised once in four years. In 1985–86, 1987–88, it was raised once. In December of 1988, four years after the overfishing began, it was raised in this Chamber for the first time. I know because I am the one who raised it after I was elected here in November 1988. That is the first time it was raised in this Chamber by anybody.

What more graphic example of gross disgusting negligence could you have than that? A minister lets thousands of his fellow countrymen, thousands of his constituents, plant workers and fishermen go down the economic drain because he is tied to a policy that says "Do not rock the boat, fellows. If the Portuguese and the Spaniards, the French and the Europeans want a few tonnes of fish, let them take the fish, all the fish they want, but do not rock the boat because our Prime Minister, our boy from Baie Comeau, is trying to be a statesman out there. He wants to be buddies with Mitterrand. What do a few fishermen's lives have to do with this? What do a few plant workers' livelihoods have to do with it all? Do not rock the boat, Crosbie. Do not rock the boat, minister from St. John's West".

The accusation against that minister is not negligence. That is too good a term for what he did. The accusation is much worse than that. In graphically simple terms, he abandoned thousands of people in his riding, plant workers and fishermen, and thousands more in my riding, tens of thousands in total, rather than break with a policy that was absolutely unconscionable and that was designed to be the death-knell for the Atlantic fishery.

Luckily and to his credit, and he needs some credit because he committed such an atrocious sin in respect to the other in allowing this to go on silently for four years, the minister has lately decided that enough is enough and now he is out there, belatedly albeit, being the champion on the overfishing issue. It is almost certainly a case of closing the barn after the horse is gone.

His voice is now vibrant in 1992 on overfishing as he trips around the citadels and the capitals of the world. If we had only had it in 1985 in cabinet. If we had only had it speaking up about the jobs in Trepassey and St. John's and those other places I could mention, places in my riding. I mentioned a couple in the minister's riding. That is what he has to answer for. He is playing one awfully big game of catch-up these days, trying to undo some of the misery he inflicted on those people by his silence. I say to the member for South Shore, who I understand has to come in here and toe the line and keep an eye on that crowd, those boys, watch the fellows from Gander—Grand Falls and Burin—St. George's and Cape Breton eastward.

Watch what they say and then get up and try to poke a few holes in it and, if they say a nasty word like negligence, get up and look intelligent and show the people across the country that we take them on. If they want to know, if they want to challenge my colleague's use of negligence, I have just given them an example. If they want some more examples, I can give them more. I cannot give one that is any more graphic than the one I have just given. Literally thousands of jobs of fishermen and plant workers in my riding and in the minister's riding of St. John's West have gone down the drain because of the negligence, the failure to act by that minister.

That will be part of his legacy. He can undo it somewhat if he would do what we have been saying he should do: say to the Europeans they have have had enough time. We in Canada are going to unilaterally extend the continental shelf to take in the nose and tail of the Grand Banks and the Flemish Cap, those three little outgrowths where the fish spend some of their time when they are not inside the Canadian line. It is when they are outside that line of course that they become vulnerable to the pillaging I talked about a little while ago.

I am sure in time my good friend the minister from St. John's West, the Minister of Fisheries and Oceans, will want to—hopefully before this debate is over—stand and give his side of the story, why it was he was absolutely silent, muzzled, for four entire years, never made one peep in this House, outside this House, not one living peep. Nothing. Zilch. For four years he watched jobs being wiped out and industry being absolutely pulverized by his neglect, his negligence, his failure to go to the Prime Minister, be a man about it, and say he could not stand by and let this be done to his fellow Newfoundlanders, to his fellow Canadians. That is what he should have done. That is what he did not do and I say to my friends on South Shore that is what I call negligence. Maybe he has a nicer word for it.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it. I declare the motion carried.

Motion (Mr. Baker) agreed to.

The Acting Speaker (Mr. Paproski): The question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the third time and passed.

The Acting Speaker (Mr. Paproski): It being four o'clock this House stands adjourned until Monday next at eleven o'clock pursuant to Standing Order 24(1).

The House adjourned at 2.47 p.m.

HOUSE OF COMMONS

Monday, February 10, 1992

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*Translation*]

PHARMACEUTICAL INDUSTRY

ESTABLISHMENT OF ROYAL COMMISSION INTO PRICING PRACTICES

Hon. Chas. L. Caccia (Davenport) moved:

That this House urges the government to launch a royal commission into pricing practices in the pharmaceutical industry to determine the rate of mark-ups in price at each transaction, from manufacturer to wholesaler or distributor, from wholesaler or distributor to retailer, and from retailer to the public, in order to determine how such mark-ups affect the Canadian consumer.

He said: Mr. Speaker, first of all, I would like to explain why I presented this motion.

[*English*]

This motion has a very clear purpose which I hope will meet and satisfy not only the curiosity but the political interest of my colleagues in this Chamber.

The background is the following. First, the pharmaceutical industry in Canada is a substantial business. Its activities amount to some $4.5 billion every year.

Second, for certain products called patent drugs, the industry enjoys a substantial monopoly situation which could be strengthened and amplified if the present negotiations at GATT are successful. On that subject my colleague for York West will be intervening later.

Third, the whole question of mark-ups in the price of pharmaceutical products affects the consumer.

Finally, mark-ups in this industry also affect the taxpayer and the public purse.

For all these reasons I would like to present the following case which is based on a meeting held last May by the Liberal task force on the industrialization and economic renewal in Ontario. It took place here on the Hill with representatives of the Pharmaceutical Manufacturers Association of Canada.

On that occasion, we learned that according to the data at hand with the representatives of the association, the mark-ups are as follows: the one practised at the manufacturing level ranges between 15 and 60 per cent. As well there is apparently an inventory charge at the factory level of approximately 10 per cent. When the product leaves the factory gates and reaches the wholesaler, the mark-up at that point is anywhere between 7 and 10 per cent. When the product reaches the pharmacist, the mark-up is anywhere between 30 and 50 per cent, we were told, and to that, of course, is added the dispensing fee. The dispensing fee varies from province to province and ranges from $6 per dispensation to $11.

Why is this a public issue? It is a public issue in two respects. This is an industry that is federally regulated and, as you may recall, the last and rather intensive debate which took place in this House was on Bill C-22.

Second, the cost of prescription drugs is covered by provincial health care plans with public funds. The beneficiaries or the people who are covered by this provincial health care plan, will be mostly found among senior citizens and low income Canadians and Canadians who are under hospital care and who receive medical treatment and drugs while in hospital.

While it is not possible for me to indicate the precise amount of drug costs involved for these two major categories, I would be inclined to suggest that it is a fairly substantial sum.

Mr. Speaker, as a result of this brief overview you can see why the public purse is heavily affected by the mark-ups and by the cost of drugs.

Under the Ontario drug benefit plan, for instance, we learned that over the past decade the increase in expenditures has been 12 per cent for every year. That is

not a minor increase year by year in expenditures by the Ontario drug benefit plan.

The Manitoba minister of health and welfare, when he appeared in 1988 before the Senate committee on banking, trade and commerce, said that the expenditures on drugs in Manitoba were increasing at that time at the rate of 15 per cent per year. It is worth while noting that by contrast, while the drug costs are increasing over 10 per cent per year according to the data made available by Ontario and Manitoba, in the case of Ontario the hospital expenditures as an over-all figure have risen only by 4.5 per cent per year. So you can see that the percentage increase year to year in the cost of drugs is three times as high as the percentage of increase in the over-all hospital expenditures.

The House may recall, and I made a brief reference to this fact, that we had quite an intensive discussion at the time of the amendments to the Patent Act and under Bill C-22. The present law makes a provision for a review board to monitor drug prices. At this point you may want to ask, Mr. Speaker, why should we have a royal commission as proposed in this motion? In answer to that question I have to draw your attention to the fact that the mandate of the review board is considerably limited. It is limited to reviewing the price at which the manufacturer sells to the wholesaler. The review board has no authority to review the final price or mark-ups between the factory gate and the store shelf, so that reviewing the annual price increases of patented drugs takes place at that very factory gate snap shut situation, not at the level of the wholesaler, not at the level of the pharmacist, at the retail level.

• (1120)

In addition, and this was also the object of interesting discussions in the Senate, the review board can only review but not roll back prices. In other words, the board cannot determine whether the consumer has been given a fair shake or fair treatment.

For all of these reasons, a royal commission on drug pricing in Canada becomes a necessary step. It becomes a must if we want to give Canadians the assurance that they are treated fairly in the process of acquiring drugs at the retail level.

Let me review again the mark-ups because it is important. At the manufacturers' level, the mark-up is between 15 per cent and 60 per cent. In addition to that, there is an inventory charge of some 10 per cent. Once the product leaves the factory gate, the wholesaler's mark-up is between 7 per cent and 10 per cent. Once it reaches the pharmacist, the mark-up is between 30 per cent and 50 per cent. In addition to that, the pharmacist, for the task which consists of counting a certain number of tablets, typing a label which indicates the name of the patient and the general name of the drug, but which does not, however, reveal the content of it and that is a very serious shortcoming, I submit to you, charges a fee that ranges between $6 and $11 per prescription.

So it becomes clear that we must look at this pattern of mark-ups. They have to be confirmed, have to be examined, have to be studied. That will be the purpose of the commission, to compare them, to look at the mandate given to the review board, which we will find does not protect the consumer. The consumer is helpless because the review board is not empowered to do anything about most of the steps from the factory gate to the consumer.

It is true that it can look at the prices at the factory gate, but even there, where it has jurisdiction to review, it has no jurisdiction to roll back. So, Mr. Speaker, to make this intervention as short as possible and allow as many colleagues as possible to intervene, I will conclude by saying that the motion before you, in essence, asks for fairness in the settling of drug prices for Canadians.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I am pleased to rise in my place today to respond to the motion from the hon. member for Davenport.

It was recommended that the government establish a royal commission on the pricing practices of the pharmaceutical industry.

I know that the hon. member is motivated by a genuine concern for the impact the drug prices have on consumers, and I know that he is concerned about the ability of provincial governments to respond to increasing prices.

As much as we can acknowledge the undoubted good intentions of this motion, I am afraid that the motion for a royal commission is misplaced.

Any royal commission, as we know, imposes a large expense on the public treasury. Clearly there are important issues which must be examined by commissions of inquiry, but if we are going to burden the taxpayer with the expense, first we had better make sure that we genuinely do need a commission.

I am afraid that when one looks at the proposal and at the state of the pharmaceutical industry in general, I cannot see that we should inflict upon taxpayers the cost of this kind of study.

To begin with, several items the hon. member would like to examine fall under provincial jurisdiction. I am sure that it was not the intention of the hon. member for Davenport to intrude on provincial responsibilities for pharmaceutical price controls at the retail level, but that is the effect of his motion.

In fact, hon. members are well aware that the provinces have demonstrated a great concern for drug pricing. The challenges vary from province to province.

Each province is more capable of focusing on its own needs than a federal inquiry would be. In fact, some provinces have recognized their own responsibility to investigate these matters.

Both Ontario and British Columbia have already conducted their own commissions into the areas that fall under their jurisdiction. I am certain that no one in this House would endorse a commission that would only duplicate that work.

Any federal inquiry would inevitably get bogged down into the complexities of provincial systems over which this House has no jurisdiction whatsoever.

The issue of provincial responsibilities brings me to another reason why I believe this House should vote against this motion.

Hon. members from both sides are no doubt aware that the minister of health and welfare is committed to working with the provinces to ensure reasonably priced drugs for Canadians. In fact, the minister met with his provincial counterparts on January 27 to discuss this matter and other issues of mutual concern.

I am reassured by the commitment of the Minister of National Health and Welfare that prices will be kept reasonable for consumers, and I am encouraged by his efforts to work with the provinces on the issue.

At the federal level, we have the Patented Medicine Prices Review Board. Since the Patent Act was amended in 1987, the board, regardless of any limits on its mandate, has kept price increases for patented drugs below the increase in the Consumer Price Index. The board will be given enhanced powers to keep prices of patented drugs reasonable.

At the same time that this government is working with the provinces to ensure reasonable drug prices, it is working to encourage more research and development in the Canadian pharmaceutical industry.

There have already been some remarkable results. Glaxo Canada, one of the largest research-based pharmaceutical companies in Canada announced on January 16 that it was moving ahead with plans to build a $70 million manufacturing plant in Mississauga.

Glaxo estimates that it will invest $275 million over the next five years on research and development. In 1991, the company invested $25 million in research and development and has doubled its employment over the past five years to more than 1,000 employees across the country.

Four days after the Glaxo announcement, Astra Pharma Incorporated said it was considering building a new $150 million research facility in Mississauga, creating about 50 new research jobs.

Astra is already committed to an R and D investment in Canada of about $95 million over a five-year period. Further investment in facilities and equipment at the company's Mississauga location is likely to reach $97 million.

Both commitments are expected to result in about 160 new jobs. At the same time Astra announced that it has rolled back the 1992 prices on its prescription drugs to the 1991 level. The price reduction would amount to about 4 per cent or 5 per cent on the company's prescription drugs.

• (1130)

At a time when the world-wide pharmaceutical industry is evolving quickly Canada must strive to play an important role in the growth of this industry.

As we can see, new research means high-paying skilled jobs for the medical and scientific communities. New research means a more competitive Canadian pharmaceutical industry. New research means new products that will add to the comfort and health of Canadians.

Canadians want and deserve more research and development leading to better medicines and treatment.

We want to send a signal that Canada welcomes the investment that means jobs in the pharmaceutical industry. We want our intellectual property protection to be an incentive for investment.

I would like to remind the House that investment by the brand name pharmaceutical industry has increased substantially since patent protection was improved in 1987.

At that time the industry made a commitment to increase research and development expenditures to 8 per cent of sales by the end of 1991. Has the innovative pharmaceutical sector lived up to that commitment? Not only have they lived up to the commitment, they have surpassed it.

By the end of 1990, a year earlier than their commitment called for, the research and development to sales ratio of patent holders had risen to 8.8 per cent.

That is a substantial increase from the 4.9 per cent research and development to sales ratio which the industry exhibited before the act was amended. Total research and development has increased from $165.7 million in 1988 to $281.3 million in 1990.

We have come a long way in encouraging research and development investment in the Canadian pharmaceutical industry, but we can do more.

That is why the Minister of Industry, Science and Technology and the Minister of Consumer and Corporate Affairs recently endorsed multilateral trade proposals to strengthen patent protection for pharmaceuticals.

These proposals are contained in the draft text of the GATT agreement. They would allow pharmaceutical patent owners to enjoy the full term of protection now provided to patent owners in all other sectors of our economy.

Increased patent protection in Canada will bring increased medical research and development to Canada. This means new jobs and a more prosperous competitive Canadian pharmaceutical industry.

At the same time the generic industry must continue to play an important role in providing medicines to Canadians. The government is sensitive to the needs of the generic industry in adapting to the new pharmaceutical policy.

I remind the House that under the current system a drug typically enters the market 10 years after its patent is filed and the generic copy can enter seven years later.

The current GATT text that we have endorsed would add another three years to this period. In other words the generic products would come on the market after 20 years rather than after 17.

Generic drug manufacturers in Canada use competitive manufacturing technology to produce a broad line of drug products. This segment of the industry is expected to grow at a reasonable rate, in part because of a number of successful drugs that are coming to the end of their market exclusivity in Canada.

The generic drug manufacturers will be able to continue to produce drugs under their existing compulsory licences. Under the proposed changes to the patent protection announced in January they will still be able to market drugs once patents have expired.

In summary, first, the government has stated that if changes are made to the Patent Act it will grant new and enhanced powers to the Patented Medicine Prices Review Board.

Second, the government is consulting with the provinces to ensure drug costs are kept reasonable.

Third, the brand name pharmaceutical companies have stated that they would increase their level of R and D in Canada and their performance bears it out.

What would the effect of a royal commission be on this progress? We have all been in political life long enough to know the effect that commissions of inquiry have on work in progress. It is either slowed or stopped. The temptation is to place things on hold until the results of a commission are known.

Those are the reasons that I would urge the House not to support the well-intentioned motion before us.

Mr. Sergio Marchi (York West): Mr. Speaker, let me say from the outset that I compliment my colleague, the member of Parliament for Davenport for putting forth this motion.

In terms of the drug pricing practices and policies, it is not only substantively well placed, but the timing could not have been better.

That is why I fully support the intent of the motion before the House of Commons for debate.

I say the timing could not be better because on January 14 the Minister for International Trade on behalf of the Canadian government basically agreed to a proposal put forth at the GATT negotiations in Geneva to grant and give brand name pharmaceutical companies essentially a 20–year monopoly on new drugs.

As you well know, Mr. Speaker, the existing legislation in Canada allows for a seven to ten–year protection for brand name drugs and allows at the same time a generic industry that has grown, flourished and matured and has become an integral part of the Canadian health care system to become a reality.

I think the move by the Minister for International Trade will seriously injure, if not completely undermine, that Canadian generic industry which essentially is a made–in–Canada for Canadians system that I think Canadians at large are indeed proud of.

We have to face the reality that we have to strike a balance between the large foreign multinational pharmaceutical companies and those generic companies in Canada when in fact 92 per cent of the pharmaceutical activity in this country is foreign owned. We have to take stock when we throw statistics out that indeed there are some 3,000 jobs involved in the generic industry, largely in Ontario but certainly also in western Canada and other places across the country. We simply cannot throw that to the wind.

When we talk about the generic industry, clearly Toronto, my home city, is a very leading part of that equation where we have the two largest generic industries in Canada, namely Novo Pharm and Apotex.

When we talk about the effect of that January 14 decision, it is clearly twofold. On the one hand, it has a very serious economic impact on the 3,000 jobs that I have just talked about in terms of stopping any further research, all in Canada I might add, by our generic industry. It will stop any contemplated expansions. For instance, Apotex and Novo Pharm are in the mood to expand. Apotex was to have a $50 million research project going on in Winnipeg, Manitoba, which is now seriously in jeopardy. Clearly there is an economic impact in terms of jobs. Lord knows that we need each and every one of those 3,000 jobs, particularly as Canada and Canadians are gripped in one of the worst recessions that this country has ever faced.

The second impact of that impending decision is the whole question of the cost of drugs to Canadians. The government simply has to face, rather than ignore, that the generic industry and generic drugs have permitted a competitive and stabilizing force regarding the price of drugs.

The speaker who preceded me talked about the need for having a competitive pharmaceutical industry. It is quite ironic that a government member should be saying that the effect of the January 14 decision would not be to encourage greater competition, but would place on firmer ground the whole question of giving these multinationals a very large monopoly.

The fact that drug pricing has been moderated by the generic industry is an integral part of our health care system, whether the government likes it or whether it does not. We have to be cognizant that those prices will rise under a state of monopoly. It is natural. Governments and hospitals are now faced with spiralling health care costs. In my province the hospital association is requesting of the Government of Ontario some $600 million only to cover the debts incurred over the last number of years. St. Michael's Hospital, a leading hospital in Toronto, has to close departments because of financial constraints. This is not the time to be giving foreign multinational corporations a monopoly. I am not talking about stopping them at the border. Not at all. I think we should welcome that investment.

• (1140)

I am saying that there has to be a balance between those foreign multinational corporations which wish to invest and hopefully create some economic prosperity in this country. We also have to balance that with the generic drug industries that have helped keep prices down rather than increasing through the roof.

In addition to hospitals and governments, the individuals, our citizens, our consumers are also facing a very tough economic time. They are trying to hold on to their jobs or they are trying to get a job. It has really come down to two basic interests to Canadians, having a job and a livelihood and also trying to have protection for their health and an accessible, affordable system with which to do it.

At this time individuals cannot bear increased prices for their medicines. Are those who do not have a job and who become sick and those on fixed incomes and pensioners who have been granted a 75 cent a month increase on their pensions going to accept a 20 year monopoly on brand name drugs? Is this government not sensitive to the fact that in the last two to three years any new drug introduced on to the market has been incredibly expensive? On average 100 tablets costs between $100 and $200. Are we not to say that there is room for moderate influence? Are we not also prepared to say that a brand name pharmaceutical company should enjoy some protection on their research and development for discovering that drug? On average, that pharmaceutical company gets its money back after only two to three years. Therefore, a 10-year protection would seem to be plenty of time to get back those research moneys and also make a profit. But why 20 years?

In fact, if you think about the life of a drug, it is not going to be more than 20 years. Because of technology and research, after a drug has been on the market for 20 years there will be new discoveries. The generic industry coming in after 20 years is probably not going to be very lucrative or encouraging. After a 20-year life of that drug, rather than the generics replacing it there will be a new and improved brand name drug. Therefore, there really will be a monopoly on those drugs and through monopolies there will be an uncontrollable price on these drugs. The government has not spoken to how it will ensure fairness in that system.

Last, how were Canadians consulted? Did Canadians give the green light to the Minister for International Trade on January 14 to move on what has been an integral part of our health care system? In fact, I have a copy of a letter to the president of Apotex, Barry Sherman, dated Friday, January 10, from the government saying that it wished to consult. After one working day, on Tuesday, January 14, the Minister for International Trade chipped in and gave in on the generic drug licensing system in this country.

I say that is not consultation. Canadians have not been consulted. I am saying to you, Mr. Speaker, through this motion presented by the member for Davenport, that our health care system in this country helps to define what this country is all about, gives expression to the term "Canadianism" and Canadians will not let go of that very lightly. Therefore, the pricing of drugs in this country is a going concern and deserves the support of this House to put in practice the essence of the motion before us.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, on November 22, the hon. member for Davenport raised the matter of drug prices in the House. He presented a motion, urging the government to launch a royal commission of inquiry into pricing practices in the pharmaceutical industry. Although I agree that the price of drugs in Canada deserves our special attention, with due respect for the hon. member, I wonder whether the current situation in the pharmaceutical industry is such that we need a royal commission of inquiry.

The Canadian government is not in the habit of starting this kind of process without good reason. In fact, a thorough analysis was carried out by the Commission of Inquiry on the Pharmaceutical Industry just seven years ago, in February 1985. Furthermore, since 1987, the Patented Medicine Prices Review Board, a regulatory agency with quasi-judicial powers, has a mandate to ensure that the prices of patented drugs are kept at reasonable levels.

Mr. Speaker, I wonder whether before putting his motion before the House, the hon. member took the time to read the board's latest annual report. According to the report for the year ended December 31, 1990, and I quote:

> The prices of patented drugs generally complied with the board's guidelines, which take into account the Consumer Price Index.

As far as I know, the situation has not changed drastically since then. I may remind hon. members that between December 1987 and December 1990, the average annual increase in the price of patented drugs was 3.1 per cent, while the average annual inflation rate was 4.7 per cent.

A preliminary review of 152 new drugs examined by the board in 1990 showed that for 100 of the drugs, companies had followed the guidelines on introductory prices for new patented drugs which came into effect in January 1990. The prices of 16 of the 52 remaining products were approved later on, either because the price had gone down or the change in price level was sufficiently below the cumulative change in the Consumer Price Index for the 1990 price to comply with the guidelines.

Review, verification of data and discussions with patentees are progressing for the remainder, according to the board's annual report. The current situation in the pharmaceutical industry has improved since the act to amend the Patent Act came into force in 1987.

At the time, there were some very gloomy predictions about the repercussions of this bill on the price of drug products. However, as reflected in the report of the Patented Medicine Prices Review Board, the pessimists were wrong. The pharmaceutical industry kept its word, as predicted by the Hon. Harvie Andre, then Minister of Consumer and Corporate Affairs.

On December 16, 1986, Mr. Andre told the legislative committee on Bill C-22, and I quote:

> That improved patent protection would lead to an increase in research and development in the Canadian pharmaceutical industry.

Spending on research and development throughout the industry rose from $165.7 million in 1988 to $281.3 million in 1990. In other words, the ratio of research and development to sales revenue increased from 6.1 per cent in 1988 to 8.8 per cent in 1990.

All this goes to prove that the amendments to the Patent Act passed in 1987 have benefited Canada and, as a result, all Canadians. Research and development in the industry has expanded faster than was expected. At the same time, consumers have been protected against unreasonable increases in the price of patented drugs.

• (1150)

On the eve of further changes arising from multilateral trade proposals made at the GATT talks, changes that will strengthen patent protection for pharmaceutical products, the Canadian government has promised to ensure that the prices of patented drugs will remain reasonable for Canadian consumers. It is important for Canada's competitiveness and prosperity that our country should adopt a position that is in harmony with the multilateral proposals.

The new protection measures contained in the GATT agreement are one of the ways in which Canada can reinforce its position in the international market. We must remember that this is a market that puts a premium on research and innovation. While Canada must protect consumers, it must also transform its economy, which is now based mainly on the extraction and export of natural resources.

Canada must get in tune with a world economy based on value-added products. The pharmaceutical industry is very promising in this regard. It is therefore important for Canada to implement a legislative framework that favours basic research so as to provide for the creation and manufacture in Canada of innovative value-added products and also products that can be exported.

The present situation must be improved. Prosperity is not assured. We have seen countries lose their prosperity in a short time and that must not happen in Canada, Mr. Speaker. We have everything it takes to meet the productivity challenge. What is important now is that we be aware of the main problems, that we have the will to act and especially that we be prepared to implement a legislative framework for economic prosperity in Canada.

I think that the pharmaceutical industry is a good example of the kind of turnaround that must be achieved in all Canadian industries to ensure prosperity and maintain Canada's competitiveness in the world economy. Since changes were made to the Patent Act in 1987, the pharmaceutical industry's current expenditures on basic research have increased significantly. They rose from $53.5 million in 1989 to $70.1 million in 1990, an increase of 30.9 per cent.

The Patented Medicine Prices Review Board reported that in 1990, 47.5 per cent of current spending on research and development was in Quebec. In addition to investments, many jobs have been created since 1987, including 195 in research and development. It must be pointed out here that increasing basic research in Canada means definite benefits for Canada's health system and well-paying employment for science graduates from

our Canadian universities, not to mention the marketing of innovative new products internationally.

A country like ours, where a quarter of production and a third of employment depends on exports, must follow the main trends of the world economy. I am thinking in particular of the very rapid evolution of technology. Companies that can take advantage of it can increase their productivity. They can also make better products more quickly and at lower cost.

In this regard also, the Canadian pharmaceutical industry is a leader and Canada must therefore encourage its development at the same time as it protects consumers. Personally, Mr. Speaker, I am convinced that the mechanisms now in place in our Canadian system allow for consumer protection and will also enable our federal and provincial governments to benefit from the availability of drugs at very competitive prices.

I do not believe that it would be appropriate to launch an inquiry at this time.

[*English*]

Mrs. Christine Stewart (Northumberland): Mr. Speaker, it is with pleasure that I rise to respond to the motion of my colleague, Motion No. 617, which urges the House to launch a royal commission into pricing practices of the pharmaceutical industry.

This is a very important issue and it does respond to the government's recent announcement of extending patent protection to the large brand name drug manufacturers in this country.

This will be to the detriment of the business of the generic drug industry which is represented in Ontario by two firms, Apotex and Novopharm.

I speak to this issue from an aspect of morality. Governments are very much influenced by the strength of various lobbies that address them, but too seldom do we address the morality issues. By extending patent protection to companies and by not following the advice of the motion put forward by my colleague we are not looking at the more important issue of accessibility of the public to much needed drug therapy.

By extending protection we are making drug therapy more expensive. We have seen that in the reduction of the number of drugs that are on the list of the province of Ontario, for example. Because of the high costs of pharmaceuticals the government has had to strike off the list certain very beneficial drugs. This is not a benefit to us as a country. It relates very directly to our health care system as a whole.

The emphasis today is often on the distribution and the provision of aggressive high-tech but very expensive medical technology to people at the expense of preventive medicine which would benefit our whole country in reduced health care costs. It would certainly benefit far more individuals than our present system.

Obviously, from the many reports we have heard, our present system is under great stress and could falter because of the very high cost types of procedures we are having to support at the moment without reflection. My colleague's motion proposes that we set up a royal commission to review this. I do not accept the government's proposition that this motion is intruding into the provincial realm. It is a federal issue as well. We have the Patented Medicine Prices Review Board which is a federal board, but we are saying that we need to take a special look at this very important issue and set up a royal commission which I endorse whole-heartedly.

I also come to this issue from a different perspective, that is the perspective of the international community, Third World countries in particular. I was involved in trying to bring health care to Third World countries. I can tell the House that it was the generic firms of this country which provided the very necessary assistance, not the brand name pharmaceutical companies. Companies like Apotex and Novopharm assisted by providing thousands and thousands of doses of free medication, the most broadly used and very good quality medication, to people of our world, not just our country, who were most in need of therapeutic pharmaceuticals.

It distresses me that as we increase patent legislation and extend the patents to brand name companies, companies such as Apotex and Novopharm are forced to reduce expansion of their industry. This has a ripple effect of being very damaging, destructive and punitive to not only the many Canadians who need low price drugs but to the millions and millions of people who live in the Third World and can benefit from the generic drugs.

We have to review, revise and relook at our whole health system. One component of it that is very important is the pharmaceutical sector of therapy. We must decide how we can best serve in justice and equality the needs of all Canadians rather than put an emphasis on the very exclusive small sector of high-technology at the expense of pharmaceutical needs.

• (1200)

The Acting Speaker (Mr. DeBlois): The time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(3), the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

GOVERNMENT ORDERS

[*English*]

PUBLIC SERVICE REFORM ACT

MEASURE TO ENACT

Hon. Bernard Valcourt (for the President of the Treasury Board) moved that Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada, be read the second time and referred to Legislative Committee H.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would like to thank the President of the Treasury Board, the hon. member for Québec, for the opportunity to speak about Bill C-26, the Public Service reform act.

Doing research for this second reading speech gave me the opportunity to examine in some detail the recent history of the Canadian federal Public Service and to make up my own mind about how efficiently the Public Service is delivering programs and services, and what areas need to be improved.

I must say the more I learned, the more I found that I was like the majority of Canadians, and I dare say some members of this House: when it comes to real knowledge about the Government of Canada we are somewhat lacking in facts and possessed of unfortunate negative stereotypes about the men and women who work here. We do not know enough about our own public servants is what I am saying. You know what I mean when you even think this way yourself. There are three persistent misconceptions about public servants held by many Canadians.

Contrary to popular myth, public servants or civil servants are not all overpaid and underworked. They do not have life-long jobs, nor do they all work in an unstressed environment out of touch with reality. Contrary to popular myth, most of them do not just push paper all day. They care about the citizens they serve. And, again contrary to popular myth, Public Service waste and mismanagement is not largely responsible for the huge federal debt. While cutting red tape and making the Public Service more business-like is very important, it will not solve most of the country's budgetary problems.

In 1992 anyone who believes these myths is just plain wrong.

The federal Public Service is a vital national institution in the process of renewing itself from within and becoming more business-like in almost every respect. What is more, every Canadian has a stake in the success or the failure of this effort. Survey results compiled last year by a research team from Carleton University, the University of Ottawa and the University of Western Ontario found that federal public servants are hard working, stressed out and want substantial changes in how they perform their jobs. After years of budget cuts, downsizing, stalled careers, workload increases and non-inflationary pay increases culminating in a salary freeze this year, federal employees, clients and knowledgeable outsiders are calling for major changes in how the Public Service operates.

The changes are under way. The initiative to reform the Public Service was begun some two years ago under the banner Public Service 2000. Public Service 2000 has proved to be very well named. The name denotes a vision of the future while the fact that it was announced in 1990 and not in 1999 is an acknowledgement that many of the changes needed, including changes in attitudes, will take some time.

The Public Service has a long and splendid history. While 1992 marks the 125th anniversary of Canada as a nation, I would remind hon. members that 1992 also

marks the 125th anniversary of the federal Public Service as an ongoing institution. While there is no perfect way to go about reforming such a huge, complex or historic institution, I think remarkable progress has been made to date, progress that is largely unknown to members of this House and I daresay to most taxpayers who may be beginning to notice an improvement in service from employees.

Shortly after Public Service 2000 was announced, 10 task forces set off to look closely at specific areas that they felt to be in need of reform. The task forces undertook a great deal of consultation, especially in the area of service to the public, which I am sure all hon. members would agree must be the *raison d'être* of the Public Service.

The task force reports were all made public. The reports contained some 300 recommendations. The reports and the feedback they generated, plus advice from academics and clients, resulted in a white paper which was tabled in this House more than a year ago by the hon. President of the Treasury Board. The white paper outlined many areas of needed change.

As a result of the white paper, where legislative changes were not required, many administrative reforms have already been put in place or are in the works.

Central agencies are taking the lead in slashing red tape and time consuming reporting requirements. They are moving away from a prescriptive controlled oriented approach to one more focused on results that are achieved by providing guidance and advice to departments and instituting clear accountability mechanisms.

The Public Service is now clearly more important to the federal government than the preservation of the systems and structures. Departments, in turn, are also eliminating their own internal administrative constraints where they have served to reduce efficiency unnecessarily.

Over and above the Public Service 2000, six straight years of frozen operating budgets for almost all departments, coupled with five straight years of downsizing, have forced departments to cut administrative overhead and channel resources elsewhere in order to maintain their programs in the face of ever growing demands.

Frontline employees are now being empowered to make decisions about service delivery. At the more senior levels, layers of management have been trimmed back to only three below the deputy minister, speeding up decision making and empowering the rest of the employees. This restructuring and empowering is especially important for regions as employees no longer have to check it out with Ottawa every time. They can use their own common sense and good judgment to help Canadians faster. They can spend more time listening to clients, understanding their needs and providing the services they are responsible for instead of filling out forms and adhering to restrictive procedures. In other words, employees are now spending less time serving systems and more time serving citizens, and this benefits every Canadian taxpayer.

On another very important front, the government remains committed to finding the most effective ways of delivering its programs. Recently the government regained through negotiations with all of its unions the right of management to decide how best to deliver programs to Canadians. The full range of program delivery options is again available, including delivery of programs by the government itself or by some other method, including privatization, contracting out work, devolving some functions to other levels of government, or performing them through special operating agencies.

Operating budgets are already being introduced in some departments so that management can decide on its own what are the most efficient mixes of resources, be they human or financial, to deliver the programs that Parliament has agreed should be delivered. Most of the costs of providing programs and services are being recovered under a user fee policy that identifies the program beneficiaries who may not be paying an appropriate share of the costs. Examples include services in areas of transportation, passports and various forms of federal licensing.

• (1210)

Departments are reorganizing to reduce administrative costs. They are automating and finding innovative new ways to respond to the needs of Canadians. Improved management of Canada's cash inflows and outflows has saved taxpayers billions of dollars over the last six years, while assets are managed more efficiently.

In this regard this House last year passed legislative changes to the Financial Administration Act and the federal Real Property Act. What most taxpayers do not realize is that if Canadians did not have to pay interest on the national debt, the federal government would actually be running a $12.6 billion surplus in the last fiscal year, that is 1990–91, rather than a deficit. This represents a $28.5 billion turnaround since 1984–85. It is so important that people realize that we have made substantial progress in reducing the cost of government.

I do not think anyone can doubt that this sort of performance improvement represents a spectacular achievement in business terms. Yet it is almost completely unknown and unheralded. By and large taxpayers and clients of the federal programs do not know this. I think members of this House, myself included, must accept some responsibility for this situation.

The passage of Bill C–26 now before us would permit the performance and improvement process to continue. It would add new dimensions to the reform process and invigorate it, complementing other ongoing planned performance improvement. It would reaffirm the merit principle of Public Service staffing and respond to employee concerns about their careers, as well as manage concerns about lack of flexibility to serve the public better through deployment of staff.

To address the issue of career movement which has affected employee morale and hence service at the counter, narrow job classifications would be combined and simplified to provide for broader job groupings allowing easier mobility for professional development purposes.

With more career movement, employees would be able to acquire new skills and work experience through increased lateral movement where promotions are not possible. Yet they would still have access to a system of redress to ensure that delegated authorities are not abused.

Provisions for demotion and release would be consolidated and transferred to the Financial Administration Act. Service to the public would be further improved with proposed changes to make it easier to hire casual staff for short periods, unexpected workloads and seasonal work.

Most hon. members would agree that changes must be made in the area of Public Service labour relations. With the passage of Bill C–26, relations between the employer and its unions would be improved through the introduction of more flexibility and the elimination of confining bureaucratic rules and procedures.

I want to stress that there has been a lot of consultation with government unions in this area. Bill C–26 proposes measures to address difficulties that result from trying to conduct employer–union relations in the 1990s under 25–year old legislation. Bill C–26 would open up new options for both parties and speed up the process of dispute resolution.

All members are aware that Canada is an increasingly diverse society. Canada needs a Public Service that better reflects the society it serves, one where all Canadians, including those who are members of ethnic and visible minorities and other employment equity groups, have equal access to employment and career opportunities.

With the passage of Bill C–26, the Treasury Board Secretariat and the Public Service Commission, two key central agencies, would be able to work more closely to ensure that special programs are established to ease the recruitment and advancement of members of employment equity groups. These reforms would improve the chances of these Canadians finding satisfying careers and help make the department and agencies of government more reflective of the public being served.

Bill C–26 would help enshrine values in the Public Service that are Canada's values, including those of fairness and of equity of opportunity. The federal Public Service is a vital national institution that warrants refurbishing and revitalizing to better serve Canadians.

The former Auditor General, Kenneth Dye, stood firmly behind Public Service 2000, as does the current Auditor General, Denis Desautels. Auditor General Dye said in his 1990 report that "fundamental change is needed in the way we manage people. Since my last report", Mr. Dye said, "the public accounts committee has devoted six hearings to the subject of management of people in the Public Service. At those hearings it became evident that notwithstanding some concerns about the process of Public Service 2000, there was a strong consensus shared by committee and witnesses that the

legislative and administrative reforms are urgently needed".

The treasury board president said, when he introduced this bill, that "Canadians expect a Public Service that is effective and up to date, one staffed and led by Canada's ablest men and women, which is to say a Public Service that, though 125 years old this year, is thoroughly modern in its approach to serving Canadians".

Businesses everywhere today are competing fiercely and are restructuring. In turn, public services around the world are changing and modernizing their operations and attitudes to better serve their clients in the private sector. This is where the bulk of the jobs are created and the private sector is demanding closer collaboration and co-operation from governments. They are also demanding that governments reduce the cost of providing their services. Canadian businesses deserve to be supported by a lean and efficient federal Public Service, one that is more client centred and service oriented, one that listens to and collaborates more with the job creators of industry, the way they do in Japan, Germany and other industrialized nations.

Therefore, Bill C-26 can help assure that the reform process, Public Service 2000 already under way, continues in the future. I hope that all members of this House will support the passage of this bill.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, as Canada moves toward its 125th birthday and as we move with the rest of the world toward the third millennium, we are looking carefully at all our national institutions and how they can better serve Canadians in the years to come.

It is appropriate that the Public Service of Canada, one of the institutions that has allowed this Parliament for one and a quarter centuries to carry out the will of Parliament and to carry out services that are essential to Canadians from coast to coast to coast, that that institution also be re-examined.

The purpose of PS 2000 should be, and the purpose of our review of this bill should be, to ensure that the Public Service of Canada is ready to move into the next century and is ready to adapt to change both at home and around the world in providing both policy advice to government, the enforcement of government laws and regulations and direct services to Canadians.

The Liberal Party believes Canadians deserve quality services accessible to all Canadians and delivered by a competent, efficient, professional and non-partisan Public Service, a Public Service that treats all employees with respect and fairness, and is responsive to the needs of all Canadians without favouritism and without fear. The Liberal Party believes that the development of this nation has been a partnership, a partnership between the public and private sector, including non-governmental organizations, business, labour, people at all levels of society, and that that kind of partnership is going to become even more important as we move into a rapidly changing future.

• (1220)

We also believe that the public and private partnership has been well served by a Public Service working in partnership with government to provide policy advice to government, to provide services to Canadians. Nothing that has been decided in this Chamber since Confederation makes one bit of difference without a good competent Public Service out there carrying out the will of Parliament and bringing back to us the concerns of Canadians and an analysis of change that is needed.

The Liberal Party agrees that revitalization of the Public Service to meet the changing circumstances of the future is absolutely essential. We agree that there is a need to adapt to changes which will become increasingly frequent, increasingly unpredictable and increasingly severe, leading us in new directions that we cannot even predict today.

What we need in our Public Service, as we need throughout society, is creative, innovative people, adaptable to the changing needs of their clients and the nation. We need the ability to attract and retain competent, dedicated employees, as the hon. member opposite has said. The best this country has to offer should be in the Public Service at the service of their fellow citizens.

We need to have the kind of Public Service where those people will feel challenged, satisfied, and as they have for 125 years, feel not only that they have a job, but that they are making a contribution to their country.

We believe as Liberals that change can best be managed in the climate of respect, trust, co-operation and consultation with employees and with clients of the Government of Canada. We also believe that accountability to Parliament and to the public for the management of their human and financial resources is an

essential ingredient of good government and good Public Service.

As Liberals we also recognize that the Public Service has been essential to the building of a nation. This is a country that was created, not out of natural ties of economy or geography or long history, but of people from different backgrounds living in different regions with different natural surroundings and resources to depend on, deciding and developing the political will to create a country.

That needs the leadership of Parliament, but it also needs a dedicated Public Service prepared to buy into that dream and in their daily working lives to make that dream happen.

Public policy led us, long in advance of need, to build a railway across this country. It led us to establish a postal service to the remote regions of Canada over time. It led us to establish a national broadcasting corporation so that every Canadian, no matter how far from the centres of political and economic power could feel part of this country. It led us to establish a national airlines so that all parts of Canada could benefit equally from progress in technology and transportation. In time it led us into space so that Canada could continue to be a part of telecommunications technology that would be important to us for our future as well. It was the Public Service of Canada that took essential services to the frontiers, truly made it possible for every Canadian to share in what we had decided as a country were certain rights of citizenship, to service, to communication, to travel, to belonging to Canada.

Not only were these essential communication and transportation links a matter of public policy, they were a matter of public policy implemented by a Public Service. What we see is the importance of retaining the Public Service as a strong federal institution, capable of fulfilling that role into the future. Yes, changing, yes, developing, but not being so weakened that the will of this Parliament cannot be carried out.

The whole public role in the development of this country has been part of respecting differences, equalizing disparity of opportunity across Canada, accommodating differences whether they are of geography, of opportunity, wherever people are in Canada. This history we share has made this country the envy of the world and we see a lot now of the forces of divisiveness trying to rip that apart. So as we talk about the Public Service today, it is more than a question of how does a bureaucracy function; it is a question of how does a country function. How do we tie this nation together? How do we continue to have a strong public role in the building of Canada in the future?

We have to deal with change and it is more important than ever that we know who we are and where we are going. That is something not defined only in the marketplace; that is something defined in the minds and hearts of people and reflected in this Chamber and then taken back out to the nation through those we appoint and direct to deliver the services of government to Canadians. It is also a circle of communication and allowing that Public Service to feed back to us as parliamentarians the new and emerging needs of Canadians and how we can meet them better.

We do not want to go into the future with this new global competitiveness homogenizing Canada out of existence. Retaining our identity and retaining our independence and retaining our ability to be a different voice in the world, for diversity, for mutual respect, for human rights, retaining that leadership role for Canada depends on retaining the ability of government to make public policy that is distinctively Canadian and have it carried out by a Public Service that is distinctively Canadian.

As I look at this bill, I can only conclude the ways of the Tory government are the ways of the past, not the ways of the future. The government has shown in numerous ways that it cannot manage change and it is demonstrating it again today. We have only to look at things like the free trade agreement that have inhibited the ability of Canadians to manage things our own way, to make our own decisions, to look after the best interests of Canadians first.

We have only to look back through the years from 1984 when we had a strong, vibrant economy that put us in a position to be able to get people prepared for change, to pay down our deficit, to pay down our debt, to work on new training programs, to work on adjustment to change. Instead, we have a debt that has continued to rise, a deficit that has continued to rise, high interest rates, higher taxes, a high dollar, all of which have impeded

Canada adapting to the changing environment in the world.

We see instead of helping people adapt to change a government that is abandoning those most in need as economic change and upheaval takes place. We see it, for instance, in the cap on CAP transfers to provinces, so that those who are hurting most because of the economic mismanagement of the country are not able to access training, are not able to access what they need to help them through a difficult time.

• (1230)

We see what I believe is an old Tory philosophy at work, that those with money and power somehow know better what is good for us and if we only leave everything in their hands they will look after the rest of us. That does not seem to work out. In fact it seems to work out just the opposite.

It has been said that government is there to moderate the voracious appetites and directions of the private market. Again, we are talking about public policy and the delivery of public services.

The government has shown clearly that it cannot even manage its own employees. We have had the first ever full-scale walkout of public service employees in the history of Canada. We have had downsizing, contracting out, privatization, at which even the Auditor General and the public accounts committee have thrown up their hands in horror because of the complete lack of accountability as to the cost effectiveness of those measures.

In addition to its problems managing, this government seems to have trouble keeping trust with Canadians. We see a pretence at restraint so we cannot give people earning $18,000 a year an increase, but we can give increases to people earning high salaries, up to a quarter or one-third of a million dollars. Just this summer we saw judges earning up to $175,000 getting full cost of a spokesperson for the Treasury Board saying: "Oh, well, the wage restraint on members of Parliament was just a smoke screen to give credibility to our wage freeze".

Either we are in a period of restraint and everybody is in restraint, or we are simply seeing an attempt to take those at the lowest end of the scale and push them down even lower. That is certainly the impression Canadians got of this government this summer.

We have seen the betrayal of the trust of Canadians with the GST. At a time when inflation was a problem this government chose to bring in an inflationary new tax that is hardest on those who can least afford it. We have seen the betrayal of the trust of seniors concerning their pensions. We have seen the betrayal of the trust of farmers who have been told for months: "Don't worry about it. We are looking after it. We will protect supply management". Now we know that is not what was going on behind closed doors. We have seen the betrayal of the needy in tough economic times.

This government promised consultation with its employees on reform. The President of the Treasury Board said that no legislation would come through except that on which there was agreement by all parties. Yet we have a bill here that is roundly condemned by representatives of the employees and an insistence by the government on blindly pushing ahead with its own agenda regardless of who gets hurt, regardless of all the good advice it has had that this is not the way to go.

We heard the member speak about service to the public as the purpose of PS 2000. Can we trust that when the very last report of PS 2000 that was written was a service to the public report? It should have been the first report. It should have been the foundation of all the recommendations that have come before it.

We have seen the government ignoring court decisions that say you cannot simply let managers move people around. That is an abandonment of the whole merit principle. The court said that less than two weeks ago. Yet we have the government bringing in a bill that does exactly that and expands the ability of managers to do exactly that.

We have seen the government attempting to thwart moves toward equity for women in the Public Service by fighting in court the right of those employees to have their cases heard by the Human Rights Commission.

The purpose of this government since 1984—and it is a purpose that has been perpetuated by this bill—has been the dismantling and the weakening of a Public Service

that has been important to our history and has linked Canadians from coast to coast, just as VIA Rail, air service, our national airlines and postal services have been ripped out of small town Canada. The Canadian Broadcasting Corporation is no longer able to serve and reflect the two official language groups as it once did, to reflect the regions to each other and to themselves. Just as these services that have linked us as Canadians are disappearing under this government, so too is our Public Service.

I want to speak about three particular things that are affected by this bill. Since 1919 it has been the proud claim of Canadians that we have a Public Service where you get a job because you are the best qualified person for that job. This is the merit principle.

The Civil Service Commission was established in 1919 specifically to get rid of rampant patronage and favouritism in the Public Service at both the political and the administrative levels. We have been through periods in our history when if the member for Glengarry—Prescott—Russell were elected in the next election he could walk into any government office in his riding and say: "You're fired. I am bringing in my guys who are loyal to me to deliver services to the public". We got rid of that kind of Public Service decades ago.

Yet here we have again an abandonment of the merit principle, a bill that now says being the best qualified does not count any more. Your boss, your foreman, your manager, your deputy minister will be able to decide on his or her own if you are good enough to get moved around where the opportunities are to advance and to improve your skills. No review and no recourse, totally arbitrary decisions by individuals within the Public Service, and no protection.

I recommend to members that before they deal with this bill they read the decision of the Federal Court of Canada just two weeks ago that said: "This kind of activity is contrary to the merit principle". Yet we have a government that says: "Yes, we want to introduce provisions and we want to expand provisions that are contrary to the merit principle". It acted illegally and beyond its powers two years ago when it said: "Move people around wherever you want to". Now it wants to change the law so that it can do just that at will.

It is not much wonder people in the Public Service are concerned about harassment and intimidation when whether your manager likes you or does not like you becomes the criteria by which you will either get opportunities or not get opportunities. No wonder women, visible minorities and persons with disabilities feel that the old image of who can do the job best is going to prevail even more than it has in the past.

To get rid of the merit principle is a step back in time. It is a step back to when the Public Service was the place to reward your friends and punish your enemies. We only have to look around the world to know that developing countries, those countries where human rights and political rights are most at risk, are those countries where the military is more important than the Public Service. One sign of a developing country that is beginning to make progress is an efficient, impartial public service, and yet this government wants to destroy that in Canada.

Liberals believe in equal opportunities for everybody in employment and progress within the Public Service. We believe that there should be a very strong provision in this bill that requires the government to implement employment equity. This is the largest employer in the country. It should also be the leading employer when it comes to giving every person, regardless of gender, regardless of colour, regardless of what disabilities they may have, equal opportunity to use the abilities they do have in the service of their fellow citizens.

• (1240)

Yet we have a provision in this bill that is so wishy-washy the government should be embarrassed to call it an employment equity clause. It says that if Treasury Board feels like it, it may tell the Public Service Commission that the Public Service Commission may implement employment equity programs.

I think the government should start listening to the Canadian Chamber of Commerce when it says that if the private sector is to be subject to employment equity legislation, the least the government can do is make itself subject to employment equity legislation. This bill is the place to do it.

We have had documentation for decades of the ways in which certain groups are not deemed to be competent. *Beneath the Veneer*, the report of task force on Barriers to Women in the Public Service, demonstrated again, if we needed to have it demonstrated, that what prevented women from advancing in the Public Service of Canada, the reason they were nearly half the Public Service but

less than 15 per cent of management, for instance, was attitudes, attitudes that I do not blame anybody for. They are so ingrained in us that we have certain images of who is competent and who can succeed.

We have to discard those attitudes. In a society that is diverse, if we want a Public Service that reflects that diversity, we have to discard those attitudes. We are not going to discard those attitudes if, as this bill does, we reinforce the right to make arbitrary choices on the part of managers and of deputy ministers. That would be a move back in time, and that is not what this country needs.

I want to speak briefly about the process of PS 2000. When the current Public Service Employment Act and the current Public Service Staff Relations Act were brought in 25 years ago, it was the result of a long process of consultation. It was not done in isolation. It was done publicly. It was done inviting submissions not only from top managers but from employees, from labour unions, from academics, from the public who were the clients of the Public Service.

Yet here we are all these years later saying that managers can do this. They do not have to negotiate and collaborate with their employees. They do not have to bring their clients into this process to determine how to improve the Public Service. Again the government is showing it cannot consult with its own employees. How can we take seriously the recommendation of its task force report on service to the public to consult with the public on services to it?

This is a one-sided bill by the government for the government, not for the public, not for its employees, and not for the future of Canada. It is another step back to the past that reinforces hierarchy and that reinforces top down paternalism. We believe there are ways of giving managers more freedom without trampling on the rights of other people.

The theme song of PS 2000 has been: Let the Managers Manage. That theme song comes from the 1962 Glassco commission. It is 30 years later; we are now in 1992. We are ready for the future, not the past.

We hear a lot about managing change, but leadership is not dictatorship. Leadership is not trampling on other people's rights to free up the arbitrary discretion of some people. We know that morale in the Public Service is at an all-time low. People have seen their work being contracted out, privatized, downsized, and yet the public accounts committee has taken the government to task for not being able to account for whether that is improving the situation, improving cost effectiveness or not.

We have had the Auditor General chastising the government because it does not know what it is doing with its money. It cannot begin to say what it is spending on contracting, and what privatization has produced in benefits, if anything. It cannot possibly go out to the public and say that this is all saving money. It simply does not know. That is irresponsible.

Yet it has gone out to the public and said that cutting the Public Service, keeping it at zero increase and trampling it into the ground is the way to cut the deficit. It has not told the public that less than 12 per cent of federal spending applies to the Public Service. It has tried to divert the attention from the other 88 per cent of its spending to the quarter million people who simply want to do a good job for their fellow citizens.

There are a number of provisions in this bill to which other colleagues of mine will speak. The government is abandoning the merit principle by allowing managers to move people around at will with no recourse. It is changing the classifications so that employment equity and pay equity become even more difficult to achieve. This new deployment then becomes a means of promoting and demoting without review or any consideration of merit principle. It is getting rid of competitions and saying that any qualified person will do. It does not have to be the best qualified any more. Pick up the phone, call your nephew and tell him you have a job which he is qualified for. Tell him to come on in and get on the payroll. There will be the free ability to contract out, when the government cannot even now account for its contracting out and when the courts have said it is not legal for the government to contract out and lay off employees. To go ahead with this piece of legislation is simply not right.

There are some good things in the bill, and of course we will be looking to improve it. The public accounts committee, after weeks of very careful hearings and excellent research, made a recommendation to the House of Commons and to the government that this

legislation should not be considered in isolation, that is only 10 per cent of the PS 2000 process and before legislation comes in, the whole process of PS 2000 should be referred to a special committee of the House. It should all be reviewed. The comments of all affected stakeholders, a phrase the government is fond of using, should be invited. Parliament itself should carry out the third party, impartial monitoring and recommendations, as opposed to managers simply proposing what is suitable to them.

Bill C-26 may pass but reform in the Public Service will fail. The private sector is finding out we cannot have reform or change without everyone being on side and on board. Yet the government has deliberately excluded the employees and the public from this process.

We believe the public accounts committee was right when it said that legislation should not be adopted before a special committee of Parliament had an opportunity to hold full consultations. We do not believe the valuable work of PS 2000 should be wasted. It is one step, and it is the first step in a bigger process. The managers and the government are not the only ones whose views need to be considered.

I wish to move a motion that would in fact implement the recommendations of the public accounts committee. We considered suggesting referring this bill to the consumer and corporate affairs and government operations committee, but we recognized that committee is overloaded. This job needs to be done quickly and efficiently by a group of parliamentarians who are focusing on this, and not on credit card rates and all the other things consumer and corporate affairs and government operations committee deals with.

We once again want to urge the government to consider establishing a special committee. For that reason we believe this bill should not be debated at second reading now but should be sent to a committee for pre-study. We have made that clear to the government, and so I move the following motion:

• (1250)

That this motion be amended by deleting all of the words after the word "that" and by substituting the following therefor:

Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada, be not now read a second time but be read a second time this day six months hence.

Hopefully that will give the House leaders time to consult on the establishment of a special committee so that we can have a report on the legislation back before this House very expeditiously that will truly prepare the Public Service for the next century and give us a reform package that is worthy of the aspirations of Canadians.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hon. member for Ottawa West, seconded by the hon. member for Glengarry—Prescott—Russell, moved the previous motion. I therefore declare the motion in order.

[*English*]

Mr. Rod Murphy (Churchill): Mr. Speaker, I too wish to rise and speak on Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada.

It is very evident this government is changing the laws of Canada so it is no longer subject to any impartial review. Over the last many decades we have developed a system of using the Public Service Staff Relations Board and the Public Service Commission to make sure the government does not arbitrarily change the rules of the game to suit itself.

Just recently the Federal Court has ruled that the actions of the federal government in relation to its employees and its transfer policies go against the legislation that is in place.

This legislation is not good, management driven, but management driven in such a way that managers are no longer subject to any impartial review. In other words, transfers, deployments and appointments can take place, but the affected employees are not really in a position to seek an independent decision as to whether or not the government has made its decision, or senior management has made its decision, on the basis of good judgment.

We are all concerned with some of the bureaucracy that exists in this country. We are all concerned with making a lot of issues, including employment and promotion, a lot simpler. We are all concerned with making sure that the government gets the best bang for the buck. Those are common concerns. But that is not what this legislation is doing. Government spokespersons who get up and say they are making it simpler and allowing managers to manage are not looking at the clauses in this legislation.

As I said earlier, there would almost be unanimous agreement in this House that there are ways for the government to manage better. There are ways of allowing managers to make decisions, but it is completely unnecessary to go to the limits that are in this legislation.

This legislation is basically gutting the Public Service Commission of Canada. It is ignoring the Public Service Employment Act. It is gutting the role of the Public Service Staff Relations Board. These three important groups have tried to make sure that we have a Public Service based on merit and not favouritism or political appointment.

I find it ironic that the federal government is spending $5 billion a year on contracting out, without investigating whether it is cost effective or not. This government is doing this and says that contracting out will not be subject to any review. If you lose your job as a result of contracting out, that is too bad. It is too bad.

We now have a minister in the House which is a welcome change. We should get legislation that is fair to all people. If there is a problem with a process that is too cumbersome then change that process but do not take away all rights of the employees. Do not say you cannot apply for a lateral promotion. It was very evident from a court case which the federal government just lost that a lateral appointment or transfer can be a promotion for some people because you gain experience. You gain a variety of training that you would not gain if you remained in the same job.

That is exactly what the Federal Court ruled when it said this government was in violation of its own laws. The government is saying that if you are transferred from one position to another it is really none of your business. That is not true. The government is saying it does not matter if you have a lateral transfer because you are doing the same job or getting the same salary and it does not affect your future. That is also not true. The Federal Court of Appeal has said it is obvious that if a person wants to apply for a job in a different area within the same category, he will be gaining valuable experience and knowledge that will make it easier to move up the corporate ladder within the department.

I believe that the way this legislation has been proposed by this government means we will not have high morale in the Public Service. We will not have an impartial Public Service. We will have decisions made by deputy department heads which have absolutely nothing to do with an impartial system. The whole basis of this legislation is that it will be up to the department heads to create a new structure. It will be up to the department heads to decide who does what, what classification they are in, and who will be eligible to apply for a job. If you do not like the fact that you are not eligible for a job or that you are put in a new classification, to whom do you appeal? You appeal to the very person who made that decision. What kind of justice is that?

I do not believe that even this Conservative government would introduce this type of legislation for the people who work under the Canada Labour Code. It will do it for the very people who work for the Government of Canada. In other words, when you work for the Government of Canada and the people of Canada, you do not have the same rights you would have if you were working in private industry.

What irony that is. Do you know who the decision makers will be in this process? They will be the senior people at the very top, people whose decisions will not be subject to any real review. Not only that, the people who will make the general guidelines and rules will be the employees at the management level of Treasury Board.

• (1300)

Treasury Board not only is going to be making decisions that affect classification, affect your right to seek a transfer, affect deployment within the Public Service, they are also going to be determining classification. They are going to make all these decisions. They are going to determine who can bargain with whom, what collective agreements will be in place.

To make sure that Treasury Board is not going to find itself in a situation where their decisions are subject to review or where their workers might say things are unfair, the federal government under this legislation is saying that anybody who works for Treasury Board does not really have any rights whatsoever. They are going to be exempt. In other words, they are not protected by collective bargaining. They are not protected by the rights that most Canadians would have.

It is a very strange situation that Treasury Board which is responsible for many things including negotiating with employees is basically saying: "We do not want to negotiate with our employees. We do not want them to have any rights whatsoever". One has to wonder what is the purpose of this legislation?

Is it really to improve management? Is it really to allow management to make the appropriate decisions, or is it a gutting of all the rights that employees have and that the public has under the present system? That is really the question.

Unfortunately, I think too many people have been caught up by government's spin doctors and those people behind PS 2000. They are saying: "Oh, yes, we have to make these decisions because we have to improve management. We have to allow managers to make decisions".

What they have not done is they have not looked at the legislation that is before us. They have not seen the arbitrary nature of this legislation.

They have not seen how this legislation is going to gut employment equity. They have not seen how this legislation is taking away the right of due process. They have not seen that the standards, rules and impartial systems we have devised over the decades are all going to be thrown out.

They have not seen how this system is going to increase the ability for favouritism, increase the ability for nepotism and increase the ability for this government to use the Public Service for political patronage.

It does nothing to make sure that if the government decides to contract out—and it is doing so at the rate of $5 billion a year already—that this will be subject to any sort of impartial review or any sort of cost-effectiveness study whatsoever.

We know that the Standing Committee on Public Accounts of the House of Commons said in 1990 that there should be cost-effectiveness studies based on any move by the government to contract out.

That was said by an all-party committee. It was said by a committee with a Conservative majority. But that is not what this government is going to do. It wants to ignore all that.

This was a committee with members from all parties and as I said, with a Conservative majority saying that if decisions are made to contract out that there should be a study. There should be some understanding as to whether or not that is cost-effective. That was a very reasonable recommendation.

But that is not in this legislation. This legislation increases the ability of the federal government to contract out without worrying about the effects on employees, without any concerns whatsoever as to whether or not this decision will be cost effective.

In addition, and I think we have seen it before, the ability to contract out without any review only increases the amount of political patronage that will exist.

We have lobbyists, some who are registered and some who are not registered, lining up around this building applying for contracts, working for their friends. We do not know how much that is costing the taxpayers of Canada, but we do know that it could be a tremendous amount.

We know of Conservatives who get appointed when there are Conservatives in power. We know of Liberals who are appointed when there are Liberals in power. That happens already and it happens too much. There is an old joke, the only people who get rich in Canada are the consultants and the lawyers.

This type of legislation only ensures that those people will become richer and richer, and the taxpayers will become poorer and poorer. What we are doing is institutionalizing a system where, department by department, decisions will not be made on the basis of merit and where contracting out will not be done on the basis of what is cost effective.

What will be done is that when these decisions are made, the public will not know what the decisions are and the people who are affected will lose any real right to appeal to some form of impartial arbitrator.

We know that the federal government has lost any number of cases on employment equity. It has lost cases with regard to the arbitrary transfer system.

Why has the government lost these cases before the Federal Court? The reason is that the federal government was not following any form of reasonable practice. They were making arbitrary decisions that the Federal Court of this land said were unacceptable.

Not one, not two, but number after number after number of cases have come down saying the federal government does not obey its own laws, that it is arbitrary. It does not follow the very nature of the law; that it is unjust by its application of that law.

So what is the government's remedy? To become fair? To become less arbitrary? To follow due process? No. What it is doing with Bill C–26 is saying: "We are not going to worry about fairness any more. We are not going to worry about due process any more. We are not going to worry about being cost effective any more. We will just change the law and say that we do not do that any more. We have the complete right to do what we want and it does not matter what the courts said in the past because we have just changed the law. We are no longer in a situation where we are going to be bound by impartial Public Service commissions, no longer in a situation where we are going to be bound by Federal Court of Appeal decisions. We have just made this legislation with its 60–odd pages, in such a way that we no longer have to worry about court decisions. We no longer have to worry about rulings from the Public Service Staff Relations Act. We no longer have to worry about the Public Service Commission of Canada because we have changed the legislation in such a way that we are secure from those decisions.".

That is not allowing managers to decide, that is not allowing governments to govern. What we are doing instead is we are taking away all the protections that have existed. We are taking away the rights of people to appeal unjust decisions. That is not reform; that is tyranny.

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, you will recall that one of the key recommendations contained in Public Service 2000, the renewal of the Public Service of Canada, was to provide more flexibility for the deployment of employees to meet both operational and career development needs.

By deployment we mean the transfer of any employee from one position to another where there is no promotion occurring and where the tenure or employment status of the employee does not change.

It is important to consider the subject of deployment in the context that was described in the Public Service 2000 white paper. As you will recall, the central theme of Public Service 2000 is improved service to Canada and Canadians. It has recognized that the key to improved service is public servants themselves.

• (1310)

Public Service managers need to be able to manage their staffs in such a way as to provide a continuing and increasingly high quality of service to the public. They need to be able to move their employees quickly to where they are needed and to be able to develop their employees to meet new and changing priorities.

Employees need to be given the opportunity to achieve their career aspirations and to use their skills, their ideas, and their enthusiasm in the public interest. Indeed, as most organizations both public and private are discovering, there is a need to develop a continuous learning culture, to ensure that organizations and employees adapt to a rapidly changing world.

With the deployment provisions in Bill C–26 the government has found a way to balance the interests of Public Service managers to get the work done quickly and well and the interests of employees to be treated fairly and to have opportunities to learn and to develop satisfying careers.

Let me take a few moments to describe the deployment provisions that are being introduced and to tell you why we believe these changes will be effective.

Under the current Public Service Employment Act all appointments to and within the Public Service are subject to the merit principle. What this has meant in practice is that before a manager could transfer or deploy an employee, even for temporary periods, the manager would have to compare employees by competi-

tion or otherwise, and choose the best qualified among them.

The manager's decision was then subject to challenge from those who were not successful or felt that they should have the opportunity to be considered.

I would remind you, Mr. Speaker, that virtually every step in the staffing process is legislated or regulated and this has resulted in a staffing system often driven by the need to pass potential scrutiny. The result is a staffing system that is slow, cumbersome and complex.

This complex system has hindered the efforts of managers to improve efficiency, to move employees quickly to where they are needed, to fulfil developmental needs and to deal with situations that require compassion such as an employee who must move to be near medical facilities.

When persons are recruited to or promoted within the Public Service they must prove themselves in ways determined by the Public Service Commission to be not only qualified but indeed the best qualified persons for the job.

The Public Service Commission will continue to be responsible for recruitment and promotion on the basis of merit.

Once employees have proven themselves capable of performing duties at a given level of responsibility it should not be necessary to do a complete reassessment of their capabilities and more particularly, to compare them to all other potential candidates.

I do want to emphasize that although it will not be required in law to select the best qualified employee for a deployment, it will be necessary to ensure that employees being deployed are indeed qualified and in particular that they meet the standards for such matters as security, medical requirements, and language.

Treasury Board policy will reinforce this point.

You will also recall, Mr. Speaker, that one of the underlying principles of Public Service 2000 was the need to trust and empower managers and to allow them to use their judgment in the interests of service to the public. Our managers are competent, trained and committed. They are indeed capable of making decisions about their employees and how their employees can be best managed and they need the freedom to do so. Furthermore, they need the freedom to discuss and to decide with their employees the best way of meeting their employees' career aspirations and developmental needs.

The deployment provisions recognize this. Deployment will be the exclusive authority of department deputy heads subject to direction from the Treasury Board.

The Treasury Board does not intend to tie the hands of deputy heads but rather intends to ensure that there is some consistency of approach throughout the Public Service and that Public Service wide interests are taken into account.

In developing the deployment proposals, the government was cognizant of the concerns being expressed particularly from some of the Public Service unions. Two very important protections for employees have been included in these proposals.

First, deployments must be made with the consent of the employee concerned, except in those relatively rare cases in which a willingness to be deployed is a condition of employment. A good example of this would be the foreign service, in which the nature of the work requires employees to move to different locations periodically. In such cases, employees will know before they accept a particular job that this condition applies and that they can accept or reject the job with full knowledge of this.

The second protection is the recourse process that has been designed for deployment. Employees being deployed, or those in the work unit to which their deployment is occurring, will have the opportunity to challenge the deployment on the grounds that it was not authorized by or made in accordance with the statute or that it constituted an abuse of authority.

An employee will first make a complaint to the deputy head who will investigate and take such action as is appropriate. If the employee is still unhappy with the proposed resolution, he or she may go to the Public Service Commission, which will appoint an investigator to look into the situation and recommend a course of action to the deputy head.

If the investigator is not satisfied with the response of the deputy head, the investigator shall report the matter to the Public Service Commission, which will have the authority to order corrective action.

There is one final point I would like to make. The proposals in Bill C-26 will not require managers to consider for deployment persons whose names appear on priority lists before proceeding with the deployment of another employee.

This is a change from the current situation in which priority persons would be considered before others. I know that some members will be concerned about this, and I want to explain the rationale behind this decision.

Over the years departments have done a very good job of reintegrating employees who face lay-offs or otherwise have priority for a reappointment. Deputy heads have displayed a very strong commitment to their employees to the point of often creating their own internal no lay-off policies.

Furthermore, departments must abide with the provisions of the work force adjustment policy, which was recently agreed to with the Public Service unions. Given this, it was felt that it was not necessary to constrain further the flexibility that managers are being given with new deployment provisions. However, I do want to assure members that the Treasury Board is prepared to impose the consideration of priority persons on its own initiative or at the request of a deputy head if future circumstances warrant it.

In closing, I would reiterate that the proposed process allows for the simplification of employee movement but not at the expense of employee input and recourse. It provides a mechanism for managers and employees to create a continuous learning environment.

It provides deputy heads with the legislative framework to meet the particular needs of their organizations, provide service to the public and develop employees.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I am pleased to address this portion of the debate on Bill C-26.

As I open my remarks I want to focus on what I believe to be some of the important Liberal Party perspectives on this very important Public Service reorganization bill.

• (1320)

I think it is fair to say that while we may have some agreement around the House on some of the principles, there are elements of this bill with which our party has significant difficulty.

I would like to go over some of the principles with which I am hopeful all members in the House will be in general agreement. As we approach this bill and what will undoubtedly be a material and substantial reorganization of the way the government deals with its Public Service and the way it provides services to Canadians, the first principle is that we believe Canadians deserve accessible and quality services delivered efficiently by a professional, non-partisan Public Service that treats all employees with respect and fairness, and one that is responsive to the needs of Canadians who pay the bills.

I am sure there will not be many in the House who would disagree with that.

The second principle I would like to put on the record is one in which my party and I believe. It is that we support the revitalization of the Public Service to better allow the Public Service to adapt to rapid change and to create an environment in which the employees of the Public Service can be creative, innovative and adaptable to the changing needs of their clients—all Canadians and the country—and to attract and retain competent, dedicated employees.

Last, the Liberal Party and I are committed to the principle of accountability to Parliament and to the public for the use of both human and financial resources.

There are other principles and subdivisions which we could debate further today, but I want to leave the list at that and affirm my support for those principles.

Over the last little while, since I have become a member of this House, I have had an opportunity to see the workings of some public services of some other countries and some other jurisdictions such as provinces, constituencies, states, et cetera. At almost every juncture, I come away impressed with the level of service, the efficacy and the professionalism of the Canadian Public Service. That did not happen by luck. It happened, I suppose, by design and by the good efforts of those who are in Public Service and by members of government

who assisted in the development of the Public Service over the last number of decades.

There was a significant departure made in the year 1919, when the country committed itself to a professional, non-partisan Public Service. Since then, right up to the present, we have been building. It is not like we have not had our difficulties between then and now. There has been an increase in the organization of the Public Service through collective agreements, and the work of government has become more intrusive and more complex. Consequently the Public Service has become more sophisticated and more dedicated to those services, or those intrusions from the perspectives of some people.

In any event, the work of government has become more complex and is more demanding of the Public Service. Therefore, the Public Service must keep pace. It is likely that some of the structures within our Public Service, as they have evolved over these decades, are not suited to the demands of modern government.

Being impressed with the current state of affairs within the Canadian Public Service is not enough, because we know, the Public Service knows and government knows that there are some improvements and changes needed.

Bill C-26 contains many different legislative proposals with respect to the Public Service.

I am concerned with the apparent provisions that would devolve or permit the devolution of certain types of authority out of the rules and structures as exist now in the Pubic Service, a devolution of those authorities and decision making into the hands of managers and into the hands of individuals as opposed to the structured institution.

Over time this institution of the Public Service has not done too badly. The structures that are there serve Canadians reasonably well. Certainly they do not serve perfectly at this point, but they have served the country well.

What I am concerned about now is that as we devolve these authorities from rules, regulations and structures to the hands of managers, will the overriding principle of advancement based on merit continue along and be as important to the Public Service as it has been in the past? I think it is fair to say that the merit principle is important to Canadians. I think Canadians would want to know that Public Service advancement and hiring were done on the basis of merit.

There is a concern among people in the Public Service and among people who work with the Public Service that this authority, devolved into the hand of a particular person, may be efficient at some point and may be very effective but over all if we look behind the principle, if we look behind what is happening here, there is a diminishing, an abandoning of the singular importance of the merit principle in hiring and advancement.

I am concerned about that. Everyone in the Public Service starts off as a basic human being. We are all prone—at the top of the list are politicians—to forming opinions and judgments and doing things based on what we individually feel is best. If we walk away from the merit principle as the chief criterion for advancement in hiring, will we then have to confront at the manager level, not at the structural level up top, potential problems based on a bunch of isms such as nepotism, racism, sexism, and all of these ways of looking at life that human beings adopt? If we are going to abandon the merit principle, will that open the door to decisions made less professionally and by individuals who believe they are right, but whose decisions of hiring and advancement are based on isms which we do not want to make a part of our Public Service hiring and promotion criteria?

I leave that on a cautionary note. I want to state very firmly that I would not support an abandonment of the merit principle as the basis on which hiring and promotions are made in the Public Service.

I want to move to a related area: the business of promotion, demotion and hiring. In the current Public Service Employment Act, sections 21 and 31 provide for a system of appeal by public servants. There is a right to appeal when there is a decision made to terminate you as a result of incompetence or incapacity or when a decision is made to give an appointment to someone without a competition. I know that the matter has come before the House before, and I refer to the ninth report of the Standing Joint Committee for the Scrutiny of Regulations. It basically stated that the policy and procedures of these grievance appeals, these very important mechanisms whereby the Public Service can appeal these extremely important decisions critical to individual careers, were not fair. That is actually a fairly stinging

indictment of the process. If the procedure is not fair then it should not be there. It should be changed.

• (1330)

This issue has been before Parliament for many years and the changes have not been made. That is why I am raising it now in this debate because presumably these procedures will be contained in regulations under the new bill, and the issue will be discussed in the bill. Provisions enabling the regulations will have to be a part of the bill. I want to make very sure this House knows that this particular committee of the House has reported without an appropriate response. The committee representing all three parties of this House was unanimous in its report.

The government and the Public Service have not responded favourably. They basically responded with a big zero. That means they are not listening, or they are listening and they are stubborn, or they are listening and they do not care. Whatever it is, it means that government is not working.

I would like to review the three problem areas that I believe should be addressed in this particular bill. The first is the issue of disclosure of relevant information to an appellant before the appeal takes place. The Public Service Commission replied to us in this House that it believed its policy and procedures were just fine. Yet this Parliament, through its committee, has evidence that sometimes the relevant information is disclosed to the appellant and sometimes it is not.

I am trying to paraphrase: "Really it did not create much unfairness. I think everything works just fine, thank you very much". But that is a sham. If there is not disclosure before a hearing, how can the appellant hope to deal with the information that is being put before the hearing? I submit that the appellant cannot.

This principle of fair disclosure exists across the whole breadth and scope of legal and judicial procedures in this country. I cannot imagine that it does not exist in every single court in every single corner of this country. Yet in our very own Public Service procedures for appeal it does not exist. The Public Service and the evidence we have acknowledge that sometimes the information is given and sometimes it is not. That is not good enough.

I should point out that the submission by the Public Service Commission that the policy was there and should suffice is really not a very satisfactory response. A policy position that might be printed on a piece of paper or in a memo is not enforceable by an individual appellant. It is not something that the appellant can argue in this procedure. If the fair procedure was in a regulation, it would be something the Public Service must comply with and part of the law of the land. I would argue that anything less than a fair procedure that is installed, printed and published in a regulation is not useful to Canadians in the Public Service.

The second area has to do with the disclosure of Public Service Commission opinions that are relevant to the decision being made about the public servant whose case is being appealed. The Public Service takes the view that its opinions are not to be provided to the appellant, unless the Public Service decides the opinion is useful, but again that is the Public Service. We are talking here about department heads, the higher echelons of management, making decisions and taking positions that have been made known to everyone who was part of the decision-making process in the Public Service but not to the appellant. That is unfair. I do not have to spend much time on that one. I tried to think of a scenario that might be useful here today to explain how unfair that is, but I think the description I have given should suffice.

The third area is the way the Public Service Commission provides its notices of hearing. Again, in every administrative body across this country there are rules of fair procedure regarding the issuance of notices. If you are going to bring someone into a decision-making tribunal then you must give fair notice. It cannot be given one or two days before, but with sufficient time to enable the person to deal with the issues that will be dealt with at the hearing.

I want to close with some thoughts. I have six or seven recommendations to make to the government. First, I believe the government should provide for full and mandatory disclosure to any unsuccessful candidate or the candidate's representative upon request when there is a decision against an appellant.

Second, full and mandatory disclosure should be made to an employee of the grounds on which a recommendation was made that he or she be released.

Third, I would suggest that the regulations provide that a department wanting to withhold or limit access to information must have the matter determined by the appeal board at a pre-hearing conference.

Last, the notice period for appeal hearings should be extended to two weeks from the present three-day minimum requirement.

I leave these with the House and point out that these recommendations have been put to the House by government members, opposition members and members of the New Democratic Party. The House should not disregard them, or take them lightly.

Mr. Mike Breaugh (Oshawa): Mr. Speaker, I wanted to participate in this debate because I think there is a growing sense across Canada at every level that for a number of reasons governments cannot continue to deal with their employees in a manner such as outlined in this bill.

• (1340)

One of the cautions I would put in beginning my remarks is that a government that sincerely believes all it has to do is pass a law has some lessons to be learned.

In this day and age it is not the way of the real world. It might have been if all other things were equal: if people were paid large amounts of money, if there were a great many perks attached to it, if it was considered to be a great honour. It may be that this kind of unilateral move on the part of a government in legislative form would be, if not understood, then accepted by those in the employ of the government.

I do not believe that is the case any more. I believe a number of people who work for the Government of Canada are unhappy. For those of us who think we should not expect employees to be happy all of the time, there is more of a lesson to be learned. Morale is at an all-time low. Some would simply say the employees of the Government of Canada should not expect to be happy all the time.

That is not the point of the argument. The point is not if they are happy but if they are effective and feel they are an important part of the process.

Nothing could be more demeaning than to have your traditional rights legislated away. That is precisely what is envisaged by this bill. It is an attitude we saw last year around this time when the government began to sense it would not be easy to negotiate a settlement with its employees. It began very early in those negotiations with the attitude that you either settle it or it would legislate you back to work.

Then it seemed to proceed to various little techniques to ensure that would be a self-fulfilling prophecy. Ministers made statements here and there indicating that negotiations were not going very well. They indicated there was a threat involved and that somehow, if the employees would not negotiate exactly the way they wanted them to, they would legislate them back to work.

Of course, as events transpired, that is exactly what happened. When I visited picket lines during that strike there was a great deal of bewilderment and anger. Betrayal is a better word. People who worked for the Government of Canada felt they had a bond. They believed that somehow they were playing an important role in the day-by-day proceedings of this government of ours and would not be treated in this way by their employer. When they were they felt immense anger and frustration.

Many of them were not industrial trade unionists by nature. They belonged to a union, but not in the sense of the steel workers or auto workers where everybody goes to work in one plant for a regular shift. They begin to bond and get some sense of what a union is about. So their attitudes, the way they go about setting up for a strike has a certain ritual to it. People know what it is all about. They do not have to be told what a picket line is and how you go about having a legal picket.

The people I visited had not done this very often. They were not quite sure what it was all about. They had somehow felt all of that would not be necessary. It turned out in the end that it was. It turns out that process continues. That is precisely what this bill does. It assumes that this government can in fact pass a law and that everybody will just follow along lock-step.

The flaw in the argument is simply this. If the government chooses, as it does in this type of legislation, not to offer a reasonable amount of respect or a reasonable process to the people in its employ, it should not expect to get any respect back. It means that you can never accomplish the goals of the bill to get more

productivity and more initiatives put together. That is a tough argument. I believe it is a true one.

There is a reason why executives of major corporations are doing things now they never did before. They are walking around the shop floor and talking to people. They are gathering their workers in groups to discuss how things happen in the work place. It is not because they want to do that. That is the new initiative in industry where people are beginning to understand some simple truths. It is important that you listen to people in the work place.

It is important to understand that someone who works on a shop floor may have a better understanding of what the functions are in that particular work place than the chief executive officer who has never been there.

Many of the things which the document PS 2000 talks about are notions of a modern industrial way to organize a work place.

In part, the perversion I see in this bill is that it does something by legislative means which will practically forbid any of those good initiatives from coming about because it is not the kind of thing that can be legislated. It particularly is not the kind of thing that can be legislated on the heels of having ripped away from these people their right to negotiate for themselves.

Let me offer a couple of comparisons I think are useful. No level of government is escaping the hard fact that revenues are not the same now as they were even two or three years ago. All governments are beginning now to look at how they spend their money in particular, as that relates to their employees and how the employees are organized.

Some of them at the municipal level are doing the traditional things which would be done when a government is strapped for funds. They call in their chief executive officers and say: "Write a report which tells us how many people at the lower end we have to lay off this year.".

I am pleased to report there are some municipalities that are not doing that. They understand it is unlikely that the manager of a department is ever going to write a report saying: "I am redundant. The rest of the people who work in here are useful. They provide a useful service, but to be truthful, I cannot figure out what I do in this department".

In fact what you see most often is that most people who manage the department eventually would like to see that department getting larger and larger and larger. Then they too will be able to call somebody in to write the report.

Some municipalities are actually sitting down with all of their employees and they are taking a look at their whole organization, but it really is very simple.

The trick is that no one person can do this. A consultant cannot be called in to write the report. The department heads cannot be called in to do this. If this is to be successful, it has to be a collective effort. It has to be an effort that has all of the employees in the work place participating in a meaningful way and arriving at these decisions.

I noticed at the city of Ottawa where they are going through their budgetary procedures, it started at the top to announce there were some early retirement programs that would be utilized right off the bat. That is unusual because the first instinct usually is to lay off somebody who sweeps the streets or shovels the snow, or somebody who works in the stenographic pool.

At the province of Ontario—which is struggling as everybody else is in the middle of this recession or depression or whatever it is that we are in—there are attempts being made now to look at how all of the systems are organized to provide services.

The lesson that has been learned there simply is that it is understood if this is not put together by everyone as an equal participant, it cannot work.

If the solution to reducing costs and expenditures—and that is the stated goal of almost everybody in politics these days—if that is the intention, if that is what is trying to be done, that function can only really be accomplished when everyone is a participant in it and at every level of government.

It used to be called fat; it used to be called waste. We can now say that there is a lot of counter-productivity in what governments do, in how they go about things. Well that is true, but if we want to remove that, we will not do so unilaterally.

That is what is wrong with this bill. This is a unilateral attempt on the part of the federal government of Canada to simply do it by writing a law and the law provides immense opportunities here for management to exercise discretion, to move people around, to change the way of doing things. The problem is that it will not work. If that were the problem, this would have been tried a long time ago.

The problem is: How do you get your productivity up? How do you get all of the people who work for you to participate? How do you get to use all of the energy and the ideas of all the people who form a part of this larger group who are employed by the country of Canada?

That is a great challenge and it is not an easy one. I for one would not want to pretend that this is a simple exercise. This is a long and difficult process at the best of times. It starts in the wrong way though.

• (1350)

Those who would defend this bill would say: "We have been discussing this for quite some time". But that is really not the point.

It is going to take lots of discussion, without question, but at critical times you are tested and the test is simply this. Do you listen to those people with whom you have been discussing these matters? Do you incorporate them into the decision-making process, or at the end of it, when you get a little cranky, do you simply sit down and write a law? That is where this process has broken down.

The Government of Canada, getting near the end of a process of consultation and discussion with its employees faltered. It made a critical error, and the error is simply the results that are written into Bill C-26.

It establishes by law that the federal Government of Canada—and for the most part it will be its managers who do it—will now have a legal and unilateral right to do certain things that it could not have done before.

It does not get that right out of a consensus from all of its employees or set of negotiations with its employees. It gets that right out of a law.

In my view, that law is fatally flawed. It will not work. It will give the government a legal right to do something which, for practical purposes it cannot do, nor should it do.

I regret very much that the end of this long consultation process is the unilateral imposition of a law such as this one, for this is off on the wrong foot entirely and will bring heartache to a great many people who certainly do not deserve any more.

It is true that the principles put forward in this bill are roughly following a pattern, a pattern where the Government of Canada says to its employees: "Okay, we are in tough times here, but we do not want to talk to you any more. Now we are going to impose a law".

It did that last year when it tried to go through contract negotiations and impose by law, a settlement at that time. It is doing it again this year with this bill.

It did not work well during the course of contract negotiations; it will not work any better now. That lesson has to be learned by the Government of Canada and all of the members in here.

This is not the kind of thing that one can do successfully. You can cause a lot of pain. You can cause a lot of hardship. You can displace a great many of your employees, but you will not make the process of governing in this country more effective by the imposition of this kind of a law. That is why I oppose it.

Mr. John Manley (Ottawa South): Mr. Speaker, this is an opportunity to debate not only the bill which is before us today, Bill C-26, but also much of what has happened in the context of Public Service reform over the last several years of the current government.

Unfortunately, even as we debate this bill today, there are many across Canada who continue to hold in their minds an image of a federal Public Service which is somehow fat, overpaid, perhaps incompetent, and perhaps unresponsive to people in their times of need.

I think that it is important for the people of Canada to understand not only the kind of Public Service we have today in our country, but the history and traditions of that Public Service over the last number of years, really since it was formed in its present way in 1919.

We have today in the Public Service of Canada approximately the same number of federal public servants as there were in 1974 delivering a vastly increased

burden of responsibility and service to the people of Canada.

Well over one-half of them are employed outside the national capital region. Again, the image that somehow federal public servants are centered in the city of Ottawa and are pipe-smoking semi-retirees is a false and misleading one.

The Public Service of Canada delivers a whole variety of vital and important services to our people.

Surveys have shown that public servants are not well paid in comparison to many working groups in the private sector. They often perform functions which the private sector is incapable and unwilling to perform. As well, they perform a very important role in advising government on a daily basis. The traditions we have built up in the Canadian Public Service are fine and honourable traditions going back many decades.

We have had in the Public Service of Canada an understanding of the fact that it was an honour to serve the public, that the traditions of extending oneself on behalf of the citizens of the country was an honour in itself beyond simply earning a living. It was somehow a higher, nobler calling and often a calling which extended throughout one's working career.

Those traditions have been very important to the building of Canada as it is today. We have many well-known and important examples of public servants who have distinguished themselves in the service of our country.

Lester Pearson comes to mind as having been a civil servant who rose to the top office in this country, who in service to Canada won the Nobel Peace Prize.

It is critical at this time as we look at reform of the Public Service that we do so preserving the essential values and concerns that are at the heart of the Public Service as we have come to know it.

In the document *Public Service 2000, Renewal of the Public Service in Canada* some of these values have been set out. I think they have been well expressed.

Service to Canada and to Canadians, loyalty to the duly elected government, honesty, integrity, and non-partisanship, prudence in the use of taxpayers' money, faithfulness to the principles of fairness and impartiality, professionalism in carrying out their duties, and respect for ministers, other parliamentarians, members of the public and other members of the Public Service, these are the values which underlie this important institution in Canadian life.

So when we embark on a reform of it, the outcome of that reform is exceedingly important to our country. Not just because the Public Service delivers services like air traffic control and meat inspection to the people of Canada, important as those are, but because as Canada faces the very important challenges that confront us over the decade to come, we need the very best of our people, the sharpest minds, and the most innovative policymakers to be advising and directing in the policy-making of our country.

How is it that we are meant to face the challenges of internationalization without a Public Service devoted to solving those problems consisting of the very best and the very brightest.

It is crucial that at this point of renewal, of revitalization, we get it right. It is too important a task for us to fail to do it properly.

For that reason I find that I have to raise for myself at least, the question of whether this government at this time in its mandate is in a position to undertake this vital and crucial task.

We have a government—Mr. Speaker, you need only look to see—of ghosts in this country, ghosts because they have been deprived by their own unpopularity, by their own misguided policies, of the authority granted to them at the voting booths to continue to govern this country in an effective way.

We are confronted by a series of crucial problems, one of which is revitalization of the Public Service. This government of ghosts stumbles from problem to problem, clearly without the authority to make the important decisions that will set the course for this country for the years to come.

When we look at these ringing words of truth on values in the Public Service one wonders where are the ministers and what values do they pursue in carrying out their duties. The core of the problem, if there is a problem in the carrying out of the duties within the Public Service today, has been the deterioration of the morale of our public servants.

• (1400)

Mr. Speaker: It being two o'clock p.m. the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S.O. 31

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, at noon yesterday in Rouyn-Noranda, I met the regional president of the UPA for Abitibi-Témiscamingue, Mr. Jutras, and several members of his organization.

I have defended Quebec farmers for several months at our government meetings in Ottawa. Today we must intensify our efforts so that our farmers win the battle in GATT. We must accept no compromise on the four main pillars of agriculture: supply management, stabilization insurance for farm incomes, crop and farm insurance, farm credit and above all we must strengthen article XI of GATT.

As in past years, I strongly support the demands of our Canadian farmers.

* * *

[*English*]

HOUSING

Ms. Mary Clancy (Halifax): Mr. Speaker, the announcement last week by the housing minister, reducing the amount required for down payments on first homes, first suggested by the Leader of the Opposition, is laudable and most appreciated by people on this side of the House. It is widely viewed as a positive step for people who would otherwise never achieve the dream of owning their own home.

My office has received a number of suggestions from the people of Halifax as to how the initiative might be improved. One idea is to expand the scope of the program to include those individuals who have owned a home previously but who have lost it. This is a request that is grounded in the fundamental tenet of fairness.

As the minister knows, these are difficult economic times. Many Canadians have not been able to keep pace with interest payments. Therefore, it would be fair to allow them the ability to re-enter the home market in a period of lower interest rates. This initiative could be subject to certain regulations to ensure that the government allows flexibility while maintaining the twin principles of deficit reduction and fiscal responsibility.

Once again I urge the minister to heed the calls of ordinary Canadians and expand his already admirable initiative.

* * *

THE CONSTITUTION

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, Canadians from across the land are getting involved in the political system.

Today at the standing joint committee on a renewed Canada my constituents had the opportunity to voice their opinions on the national stage. By expanding our horizons with new initiatives and ideas, we will forge a new beginning for this country where elected people in the House of Commons and the Senate will equally represent constituents from all regions of Canada.

This is a plan that will allow all of our resources to be utilized in a way that will maintain our strengths and freedoms; strengths and freedoms that have made Canada the envy of the world.

* * *

NORTHERN TAX BENEFIT

Mr. Rod Murphy (Churchill): Mr. Speaker, the northern tax benefit plays a vital role in the development of Canada's north. It helps to offset the higher cost of living associated with northern Canada.

Recently the Reform Party has said that if elected they would take away the northern tax benefit. This shows that Preston Manning does not understand how important this tax initiative is for the northern economy. By eliminating the northern tax benefit, the Reform Party would hurt the fragile northern economy and would make it difficult to attract new residents to the north. By questioning the northern tax benefit, Preston Manning is showing his lack of vision for Canada's north.

I have received written resolutions from the councils of a number of northern communities, including Faro and Dawson in Yukon, Churchill and Leaf Rapids in

Manitoba and Nampa in Alberta which strongly support the northern tax benefit.

In Alberta the provincial Liberal and Conservative by-election candidates are both Reform Party members federally. However, in this House we must not pander to the narrow vision of the Reform Party. This government must renew its commitment to the northern tax benefit and it must do so in the upcoming budget.

* * *

FOOD BANKS

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, as the first ministers meet to discuss the economy, tens of thousands of Canadians will eat today, thanks only to food banks.

Hunger in Canada is a disgrace but still the Prime Minister refuses to visit a food bank and calls them "some sort of short-term thing". Gerard Kennedy of the Daily Bread Food Bank is on the front lines and says: "There is more hurt and extreme hardship out there than there has been in the last 25 years". Denial will not stop the reality of malnourished children who cannot learn and adults who become more depressed every day.

What is the government's plan for economic recovery? Why did this government miss the opportunity, from 1985 to 1990, to cut the deficit instead of bringing the economy to a halt?

We in the Official Opposition have shared our five point economic recovery plan with this government, including the plan for infrastructure development.

Let us put aside our partisan politics. Let us co-operate to put Canadians back to work and eliminate the need for permanent food banks in our society.

* * *

OLYMPIC GAMES

Mr. Doug Fee (Red Deer): Mr. Speaker, the Winter Olympics opened this past weekend in Albertville, France. They have brought back fond memories of Calgary and the 1988 games.

This week we can all be proud of the Canadian athletes who are each going to reach for the highest standard of personal performance for themselves and for our country.

I have three friends and constituents who are each medal contenders in these Olympics. One of the best known carries the extra weight of high expectations on his shoulders as he competes in men's figure skating. Kurt Browning is three times a world champion and is favoured to excel again. He has already proved that he is the best in the world. We sincerely hope that his skill and conditioning serve him well in Albertville.

Our best wishes go out not just to Kurt, but to all the Canadian Olympians. May they do their physical best and may all Canadians share pride in their performance and recognize the tremendous personal contribution that each of them has made in order to represent us in these games.

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[*Translation*]

HIBERNIA PROJECT

Mr. Nic Leblanc (Longueuil): Mr. Speaker, today I would like to say a few words to you on the Hibernia project. The federal government has invested or will invest over $1 billion in this big project without having done the necessary environmental studies. Nor has it taken the time required to assess the profitability of this project. Today we realize that Gulf Canada is withdrawing from the project.

Therefore, I ask the federal government, since there is still time, to withdraw from this project, which is considered unprofitable.

* * *

MEMBER FOR SAINT-DENIS

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, today our colleague and friend, Marcel Prud'homme, is celebrating his 28th anniversary as a member of Parliament. He was elected for the first time on February 10, 1964 in a by-election.

Last night, the executive committee, board of directors, advisory board and general assembly of the Greek community all decided unanimously to declare him an honorary member of Montreal's Greek community in recognition of his services to Canada, Quebec and ethnic groups in Montreal, more particularly their community.

Many of us had the opportunity last night to hear him speak at an evening reception in his honour.

Marcel, congratulations for these 28 years.

Some hon. members: Hear, hear.

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[*English*]

WINE INDUSTRY

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, when the free trade agreement with the United States was announced, many thought that one of the big losers would be the grape and wine industry.

However, with the help of the federal government and the Government of Ontario, the necessary restructuring of the industry took place in the Niagara region.

This year the results are becoming evident. For the first time in 12 years there is no surplus of crops, as all the grapes produced have been used by the industry. Domestic wine consumption has increased while the consumption of foreign wines has declined. In fact, international bodies have recognized the quality of Niagara wines, one example being Inniskillen Ice Wine.

The Niagara grape and wine industry is an example of what can be accomplished with quality products and the willingness to compete in the world without the need for a restrictive trade policy.

* * *

ONTARIO LIBERAL PARTY

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, over the past weekend more than 2,500 delegates gathered in Hamilton to elect a new leader of the Ontario Liberal Party.

The city of Hamilton, her people and the wonderful facilities again demonstrated that Hamilton is a most hospitable and wonderful community.

Thunder Bay is extremely proud that our own daughter, Lyn McLeod, was elected the leader of the Liberal Party. To quote from Lyn: "There will soon be a day when women in Canada will be able to seek high public office without gender being raised into question." Throughout the race she said her main goals would be to revive the Ontario economy and the electorate's faith in the political process.

• (1410)

I am sure that Lyn McLeod will rule Ontario with an iron hand but always in a velvet glove. We all applaud her wonderful victory.

* * *

GOODS AND SERVICES TAX

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, hopefully today's economic meeting among first ministers will produce constructive initiatives by all concerned. There is one important move, however, that could be made by every premier, that being to harmonize provincial taxes with the federal GST program.

Two weeks ago a public lecture was delivered in Fredericton by economist Dr. William Milne, who holds the Vaughan Chair of Regional Economics at UNB. In his analysis of current economic circumstances, he was not particularly kind to any government and certainly had lots of criticism for federal financial policy.

However, he did address one issue strongly and clearly: the goods and services tax is an absolutely essential measure for the country; it is a major improvement over the old tax system that it replaced; and all provinces should harmonize their provincial sales tax systems with it.

Those are initiatives which could commence today. They would address the financial requirements of governments at all levels; they would simplify sales tax administration for companies, customers and consumers alike; they would dramatically dampen present incentives for cross-border shopping.

* * *

VIOLENCE AGAINST WOMEN

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, this government has promised action to end violence against women over and over again.

Parliament passed a law declaring December 6 a national day of remembrance and action on violence against women.

Ministers continually boast about the family violence initiative. Now it seems that funding to end violence, so proudly announced by this government, is being cut off before it can be used.

Five government departments recently made commitments of almost $40,000 to a conference called "Justice: Extending the Vision—A National Conference on Victimization and Recovery".

This conference is bringing together service providers who work every day to help women and children suffering from abuse and violence. Now this funding is in jeopardy just a few weeks before the conference is scheduled to start.

So many promises to end violence. Is that all we hear, words? As many Canadian women fear, is it simply just talk?

I call on the government to reinstate this funding today and to keep faith with the women and children of Canada.

* * *

HALTON—PEEL SURVEY

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I recently conducted a survey in my riding of Halton—Peel and thousands of constituents responded.

Doug Rowan of Caledon East writes me:

> I am 49, struggling with a new business, but expect things to improve financially and everything else will follow along. I am blessed with a close and supportive family and we all work at keeping it so. The country will rally together finally this summer, to keep Quebec in but not without difficulty and continued grumbling. The economy will rally but ever so slowly. The future will brighten if we start talking positively in every respect.

Ed Ford-King of Cheltenham writes me:

> I believe in a strong central government with the courage to make and stick by hard decisions, that concentrates on and believes in education and training, that develops an environment for opportunity and growth, that believes in the rule of law. I am saddened by the party system which lies and bribes with giveaways to gain power. I am sickened by a political system with little or no fiscal responsibility, where different governments go in opposite fiscal directions. I seek a political, fiscal environment in which one can grow in safety and with pride as a Canadian.

I look forward to reporting on my other constituents' views.

MEDICARE

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, who is George Bush and why is he saying these nasty things about Canadian medicare?

George Bush is the best known beneficiary of a government medical care system, so why does he want Americans to believe that the hopelessly expensive U.S. system—where 34 million people have no insurance and 50 million people have only partial coverage—is somehow better than Canada's?

Bush is complaining that there are six month delays for heart surgery in British Columbia but the fact is that most critical cases receive surgery within two weeks. That is not bad when you consider those 34 million Americans without medical insurance who would not get needed heart surgery even when they wait a lifetime.

And who is Frank McKenna, and why is he now advocating an American, two-tier means tested health care system? Is he the Republican party's Liberal echo in Canada?

* * *

TAXATION

Hon. Alan Redway (Don Valley East): Mr. Speaker, a great many Canadians firmly believe that Canadian corporations are not paying their fair share of taxes. Many if not all of the same Canadians are concerned about jobs being lost and transferred to the United States.

One reason that businesses move to the United States is taxes. Prior to 1986 the average U.S. corporate tax rate was 51 per cent while the comparable Canadian rate was 48 per cent. Today the U.S. rate is approximately 39 per cent compared with a 42 per cent Canadian rate. Our corporate tax rate, previously slightly lower than the United States, is now higher. When withholding taxes, as they affect Canadian subsidiaries of U.S. corporations are taken into account, Canadian rates are substantially higher than the U.S. rates.

No wonder we are losing jobs. We do not have a level playing field. As far as corporate taxes and calls for even higher corporate taxes are concerned, we appear to be our own worst enemy.

ILLITERACY

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, adult illiteracy is not just a problem for the Third World, it is damaging our economic performance as well as the performance of many of the world's developed countries.

An international survey has pointed out that up to one-third of adults in some countries may be hindered in their work by inadequate reading and writing skills. A Canadian study has pointed out that 38 per cent of Canadian adults tend to avoid situations that require reading because of their inadequate reading skills. Just a couple of years ago a Southam survey found that illiteracy is costing the Canadian taxpayer $10 billion a year.

In September, 1988 the government made an announcement of $22 million for five years to fight illiteracy. This represents an investment of less than $4.50 per illiterate adult in this country. The government has instituted a tax on books and other reading materials. It is now time to take serious action on illiteracy.

[*Translation*]

What is happening now is not enough. It is inadequate. Nothing has changed.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Acting Prime Minister.

For months opposition members, business leaders, labour leaders, even bank presidents, have been telling the government that their economic policies are wrong and are leading the country in the wrong direction.

In this month's issue of *Inside Magazine* a former Conservative MP and the party's former finance critic says that the current policies of the Department of Finance and the Bank of Canada are "not only ludicrous, but extremely counter-productive, wrong, wrong-headed, unrealistic and bordering on the tragic".

Does the Acting Prime Minister agree with this prominent Conservative's assessment of the government's financial policy and does he realize that what we need is a new economic direction for this country?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the short answer to the question is no.

The premiers of this country, together with the Prime Minister, are meeting today to discuss the short and medium-term economic situation in this country. I might remind the hon. member, as she had the opportunity this morning to listen to the premiers as they made their presentations in a very reasonable and thoughtful way, that there are differences of opinion, that there are different approaches to the situation here in Canada. Some premiers are supporting the approach of the federal government, others would like to see us take a little different line. But, generally speaking, I think they are supportive of our work in getting the deficit under control, getting it down, getting interest rates down, having a dollar that is competitive and getting people back to work on full-time meaningful employment.

[*Translation*]

Ms. Sheila Copps (Hamilton East): This morning at that same conference, Mr. Speaker, we saw 2,000 farmers demonstrate to appeal to this government about article XI of GATT. According to the publicity in today's newspapers, thousands and thousands of farmers are counting on this government to do its best to protect and even improve article XI of GATT. Therefore I ask the Acting Prime Minister: When will he be able to protect the interests of 100,000 farmers who depend on article XI of GATT?

[*English*]

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, the position that the Government of Canada has taken in the GATT negotiations is the position that was developed with the stakeholders, with the farmers in Canada. Our position has not changed. We developed that position jointly. Our negotiators are attempting to have that position accepted wherever they are able to find an ear.

• (1420)

The Prime Minister has been involved in discussions with leaders. I have been involved in discussions with my counterparts. The minister of trade has been involved in discussions with his counterparts. We will continue to put forward the case that we developed with the stakeholders in supply management.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the unfortunate thing is that while the government is publicly claiming it is moving to strengthen article XI of the GATT, it is privately moving to prepare for tariffication and in fact discussions in that regard have already occurred.

My question is for the Acting Prime Minister. The Acting Prime Minister should know that Canada is not alone in its intention to strengthen article XI of the GATT. In fact, the government could find allies with Japan, Norway, Israel, Switzerland and other countries who are willing to help us in our battle.

Will this government not, at the very least, develop a common position with other countries to protect the 100,000 farmers whose livelihood is on the line in these negotiations?

Hon. Bill McKnight (Minister of Agriculture): I welcome the suggestions put forward by the House leader of the opposition. We have met with those who support Canada's position. They include Japan, Israel, Norway, Korea and Switzerland.

Mr. Tobin: We know that.

Mr. McKnight: If you know that, as the member says from his seat, then why are you suggesting that we should seek it? We have been involved with those five countries. We led a *démarche* into Mr. Dunkel to try to gain the position that we share with those six countries.

I can only say to the hon. member she is absolutely wrong in her preface, we have not initiated discussions on tariffication. We never looked at the text to see if the numbers were going to be there until I had consulted with the provincial ministers of agriculture and with the supply managed agencies themselves. They said: "Yes, see what those numbers are.". We looked at those numbers.

Some hon. members: Oh, oh.

Mr. McKnight: They say "oh". Ask any supply management leader if he authorized us to look at the numbers. We sent the numbers to the supply management groups and now, we are waiting for them to say: "are those the numbers" because we cannot negotiate until we know what harm will be caused. The hon. member should know that.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, my question is for the Acting Prime Minister. The Canadian supply management system has been in place and has worked both for the benefit of the consumers and the producers in Canada. The dairy, egg and poultry producers of this country have not and are not part of the world's surplus problem.

Why are these producers being asked to be part of the solution when they are not part of the problem?

Hon. Bill McKnight (Minister of Agriculture): The hon. member knows full well that the agencies, developed with the Government of Canada and with the provinces, the position that the Government of Canada is putting forward, that article XI should be strengthened and clarified. It is not something that the Government of Canada, on the side, made a decision on. We consulted directly with the agencies, the supply management groups, developed the position that Canada had at the outset, developed the position that Canada had in December and continues to have to this day.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, my question is for the the same minister. Mr. Lowen, an Alberta turkey producer says that as a result of the Dunkel proposals at the GATT, that: "Everything that I ever worked for in my whole life will be trashed."

Another rally in Ottawa today of 2,000 farmers agrees with Mr. Lowen. Knowing all of this, why has the government not carried out and published an impact assessment of the Dunkel proposals to GATT?

Hon. Bill McKnight (Minister of Agriculture): The hon. member asks why the government has not changed its position. We have not changed our position because we developed the position with the supply management agencies. The supply management agencies have not changed their position and therefore the position of the Government of Canada is that article XI shall be strengthened and clarified under the GATT.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the first ministers are meeting today. The Prime

Minister is calling for co-operation. The finance minister says he is willing to look at reallocations in his budget to help the economy.

With housing starts down dramatically again today for another month, this economy badly needs help. Federal money for infrastructure would create 63,000 new jobs this year.

I want to ask the Acting Prime Minister if the federal government will reallocate money for this kind of program by cancelling the $100,000 capital gains tax exemption, an unjust tax break that increases the deficit by $2 billion a year and gives three-quarters of its benefits to the rich in this country.

Hon. John McDermid (Minister of State (Finance and Privatization)): The hon. member would be interested to know, Mr. Speaker, that of those who claim the $100,000 capital gains tax exemption, about 60 per cent of them earn under $50,000 a year. Those are the facts.

The other thing is that the small business exemption, the farm exemption and the $100,000 capital gains exemption help create employment.

The hon. member should understand that. That is investing in the Canadian economy. That is not the area that we necessarily should be looking at.

But I can tell the hon. member this. The Prime Minister and the Minister of Finance are meeting today with the first ministers. They are going to listen to all the suggestions that are made. They will be having discussions which I am sure will be carried on in the weeks ahead. When the budget is presented the hon. member will see this government's position for the next fiscal year and how we are going to handle the financial affairs of this country.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have the taxation statistics here for the most recent year and they show that 76 per cent of the benefits of the capital gains tax exemption go to people making individually over $60,000 a year. That is not fair. That is not right. Over a quarter go to people making over $250,000 a year. There has to be change.

I want to ask about another area of economic policy. The United States is using bully tactics on auto industry trade. U.S. firms and unions are pushing their workers to buy U.S. made cars at the expense of Canadian made cars in clear defiance of the auto pact.

I want to ask the government, given news today, that we have also seen a drop in auto sales in the most recent month, will the government protest as strongly as possible against these unfair discriminatory U.S. actions?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I have to tell my hon. friend that first of all he is wrong in terms of automobiles and motor vehicles. Sales have been up the last two months on trucks and vans and they have been up in a material way.

More important, the hon. member fought tooth and nail against the whole idea of a free trade agreement which would include a dispute settlement mechanism. Under article 18 of the FTA we have a dispute settlement mechanism which allows us, when we are faced with protectionist pressures in the United States that are unfair, or incorrect, to bring them, as we are in fact bringing an automobile case that we announced on January 5 to the dispute settlement mechanism, to a panel which comprises one Canadian, one American and a neutral chairman. We have equality with the Americans when we have a dispute. This is far better than we ever had before the FTA.

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GENERAL AGREEMENT ON TARIFFS AND TRADE

Mrs. Christine Stewart (Northumberland): Mr. Speaker, each time a dairy farm dies, part of Canada dies too. These are the words of Canadian dairy farmers today, a truth which can be repeated by all Canadian farmers.

Twenty-six million Canadians cannot feed themselves. As my colleague said before, Japan, Switzerland and other countries want to strengthen article XI. Where is Canada?

The credibility of this minister's statements are questioned by farmers. Why is this government not adamant that supply management is the best system for Canadian dairy and poultry producers?

• (1430)

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I say once again to my hon. colleague that the position of the Government of Canada is that article XI should be clarified and strengthened. We have tried to

find allies to reinforce that important position that the Government of Canada has in the GATT negotiations. We have, along with five other countries, joined forces to try to convince another 102 that that is the way that we should be going because Canada knows that the system that we have under the existing article XI has not distorted international trade. That is why we, with the stakeholders and with the provinces, developed the position that Canada had at the start of these negotiations and that Canada has today in those negotiations.

[*Translation*]

Mrs. Christine Stewart (Northumberland): Mr. Speaker, the survival of our food production capacity is a matter of national security. Europeans are very aware of this. Because of the government's weakness in supporting article XI, 100,000 farmers in the dairy, egg and poultry industry are at risk.

Does the government have a strategy and can it show how, and at what cost, it intends to meet the Canadian demand for dairy products and poultry, in the event that 100,000 Canadian producers are wiped out?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I am rather surprised at the hon. member's reaction, when we consider that Canada's position has always been to maintain marketing boards—as explained in the document we tabled in Geneva in April 1990, almost two years ago—and that our position has not changed.

I think we have supported farm producers in all areas, including supply management. I would urge the hon. member and her colleagues in the other opposition parties to join us in defending the position taken by the government, which is that of our farm producers.

As I said before, Mr. Speaker, this is no time for divisiveness. It is time for all political parties, including the opposition, and all governments, federal and provincial, to pull together and show the world that Canada is serious about the position it is defending in Geneva. I believe that would probably be more helpful to our farm producers than raising fears that have no basis in fact.

[*English*]

PHARMACEUTICAL INDUSTRY

Mr. Sergio Marchi (York West): Mr. Speaker, in the absence of the trade minister, my question is directed to the Minister of National Health and Welfare.

On January 14 the government agreed to a GATT proposal to extend drug patent protection to 20 years, thereby endangering the Canadian generic industry at home.

Why did government officials write a letter, of which I have a copy, to one of the largest generic firms, Apotex, on Friday, January 10, seeking its input when, only after one full working day and without any response, the government completely gave in to the GATT recommendation? Why did the government not honestly seek the advice of the generic industry and Canadians on such a fundamentally important matter?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, to my knowledge, the minister of trade said that he did consult the generic industry. I believe that the position was and remains that in terms of research and development, on the question of the compulsory licence, we consider that the decision will be good for Canada.

I met with the ministers of health from all provinces, except Quebec. We had the commitment to consider all the implications of the decision. We are in touch with the provinces. We believe that at the health level, the cost of drugs, for example, will remain reasonable, as Bill C-22 proved.

The member said years ago that there would be sky-rocketing prices. There were not. We have the same kind of approach to reality today.

Mr. Sergio Marchi (York West): Mr. Speaker, the government insults the intelligence of Canadians when it says it has consulted, when it writes a letter on Friday, does not wait for a response and moves on it Tuesday. That is just shameful.

I ask the same minister this.

Given that the generic industry employs some 3,000 Canadians, invests all of its research and development in the country and has had a stabilizing effect on the price of prescription drugs, why will the government not seek a better deal and balance between the foreign based

multinational pharmaceutical companies and the home grown Canadian generic industry on behalf of and in the interests of Canadians?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I said before that the policy and the decision have been made to strengthen the development of research and development in Canada first.

Second, the member says that the generics will not be able to continue their operations. I tell my friend that in the United States there is no compulsory licence for generic pharmaceuticals.

Third, he should know that 60 per cent of all generic companies products are on non-patent prescribed drugs. The pricing situation worked and will continue to work.

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GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, my question is for the Minister of Agriculture.

Dairy and poultry farmers have been saying loud and clear at rallies at Kemptville, Kitchener, and here in Ottawa Friday and today that they have no confidence in this government's commitment that it is protecting supply management at the GATT. Farmers are saying that the proposed GATT agreement would do for rural Canada what the free trade agreement has done for manufacturing in Ontario.

At least 120,000 jobs are on the line at this time and this government cannot figure out a way to get those Canadians who are already unemployed back to work.

Will the government give Canada's farm families the confidence they are looking for by telling this House simply that tariffication is not an option and that the retention of supply management is Canada's bottom line?

Hon. Bill McKnight (Minister of Agriculture): The retention of supply management is why Canada sat down with the supply managed groups and put forward a position that we support jointly, that of clarification and strengthening of article XI. That was the position two years ago.

Mr. Hovdebo: What's the bottom line?

Mr. McKnight: The NDP is asking if this is the bottom line. Is there a bottom line? Most people, when they come to a bottom line, wait until they see what an agreement is. I know what Canada's position is. It is strengthening and clarification of article XI.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I will bet you that no farmer will invest five bucks on the basis of that assurance.

Nevertheless, I would like to direct a supplementary to the same minister. The Canadian public is being fed the line by the media, by opponents of orderly marketing and by utterances of this government that grain farmers in the west like this GATT agreement. That is not true, as demonstrated by the overwhelming majority of farmers across the prairies who are saying loud and clear, and who are adamant that the Crow benefits continue to be paid to the railways contrary to the proposed annex 7(e) of the Dunkel document.

Will this government quit trying to pit western grain farmers and orderly marketing farmers against each other and assure us that the government is as committed to maintaining the payment of the Crow benefit to the railways as it claims to be committed to keeping supply management?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, for some reason the New Democratic Party does not understand the position that was developed with the farmers in Canada.

The position that was developed by the Government of Canada in conjunction with and on the advice of the farmers in western Canada was that we wanted a removal of the trade distorting subsidies that have been harming our industry.

In the supply managed area, we wanted clarification of article XI because the existing article XI as it is written, and as has been found by GATT law, as the supply managed industries have said and continue to say, is not adequate to give them the protection they need.

Mr. Funk: I asked about the Crow.

Mr. Dick: He looks like a crow.

Mr. McKnight: The hon. member I am sure would like an answer.

The answer is that we have a balanced position in Canada, a position that will support supply management and will support the exporting part, the red meat part. It is a position that Canada has developed with the producers, and it is the right position.

* * *

THE ENVIRONMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Minister of the Environment.

Destruction of the ozone layer has reached such an alarming point that the minister has had to warn children not to go out and play in the sun. What a tragedy when the environment committee told the minister a couple of years ago that action was needed to control all chemicals that destroy the ozone layer, including among others, halons.

• (1440)

Will the minister act now on the advice that he got two years ago and ban the import of halons by 1993? Do we have that commitment?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, this question came up in the House of Commons last week. I guess it is useful to remind ourselves that what the member is referring to is a problem to which Canada contributes about 2 per cent in terms of greenhouse gases. We have taken aggressive measures to eliminate these greenhouse gases to the point where we are now four years ahead of schedule. We think we can go faster. We will be looking at ways with the provinces to accelerate whatever measures we have.

Furthermore, we will in the international community, with the countries that have signed the Montreal protocol, also ask those countries to accelerate the phase-out of CFCs.

[*Translation*]

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my supplementary is directed to the same minister. Since last week, we have had forecasts but no action. In addition to the weather forecast, on a sunny day we will now need a cancer index to warn us against the dangers of sitting in the sun.

One of the substances that causes thinning of the ozone layer is methyl chloroform. Will the minister do as the environment committee recommended and prohibit the use of this substance before the end of 1993?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, the government, especially this government, has always been very concerned about this problem. It was the present government that was responsible for the ratification of the Montreal protocol in 1987.

We are now four years ahead of our self-imposed schedule under the Montreal protocol. We think we can speed things up by, for instance, eliminating 45 per cent of CFC emissions between now and 1995. We intend to ask the provinces to work together with us to help speed up measures to eliminate CFCs.

We intend to take the same approach within the international community, always mindful of the fact that the problem we are facing today is a global problem to which Canada contributes 2 per cent, while suffering a far higher percentage of the consequences. That is how we intend to approach this problem while using the green plan to help the provinces and the present government to attain our objectives.

* * *

[*English*]

CENTRAL GUARANTY TRUST

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, my question is for the minister responsible for financial institutions.

Central Guaranty Trust Company shares have traded from $2.25 to $11 since January 1 of this year. The value of shares in its parent, Central Capital Corporation, have been even more volatile, trading in a range from 50 cents to $22 in the last year.

Why is the government refusing to step in and protect the interest of shareholders, depositors and the Canadian taxpayers in this matter of Central Trust?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the identical question was asked of the Minister of Finance on Friday. I cannot add anything to what he said. That was the identical question and I will give the identical answer:

> —the Superintendent of Financial Institutions is reviewing this matter and has not as yet brought a recommendation to me. I am told that it is under very active consideration. I think the hon. member would recognize it would be inappropriate for me to

comment while these negotiations are ongoing, but as soon as we have got word I would be pleased to let the hon. member know.

That was the identical question asked of the Minister of Finance on Friday. The answer is the same today as it was on Friday. Nothing changed over the weekend.

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, the problems for shareholders and investors are the same today as they were on Friday also.

My supplementary is for the same minister. The ordinary men and women who have invested in what they believe to be a stable, solvent, well-managed and government regulated financial institution are the ones who will be the big losers in this affair. Will the government conduct a full inquiry into the disaster at Central Guaranty Trust Company and its parent, Central Capital Corporation?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I would caution the hon. member to watch the types of descriptions that he is making because that does not give any confidence in any financial institution in this country. I cannot comment on individual situations with financial institutions in this country. When there is something to announce to my hon. friend, if he will listen, I will be happy to give him the answer to the question.

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PENSIONS

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, regulatory changes in the Income Tax Act published in the January 15, 1992, edition of *The Canada Gazette* codify certain rules with regard to pensions and take away the ability of workers to retire after 25 years without a reduction in their pension.

Foundry workers at General Motors in St. Catharines and Ford in Windsor had negotiated retirement with full pensions after 25 years. Public safety workers such as firemen and air traffic controllers have been exempted from these regulations and are able to obtain full pensions.

Will the government consider exempting workers such as the foundry workers who have produced evidence that their life expectancy has been reduced as a result of their working conditions?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the pension plan registration rules were codified to ensure that all Canadians are subject to the same limits on pension benefits provided on a tax assisted basis.

There were some categories due to health and safety reasons that were exempted. However, the foundry workers were not one. I understand their situation. I think it is possible under the plan to deal with the foundry workers particular situation by readjusting their existing pension to continue to allow them to take early retirement.

* * *

HEALTH

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, today is a sad day in the history of medicare in Canada. The premier of New Brunswick has called for an end to universality in medicare.

An hon. member: He is a Liberal.

Mr. Blaikie: A Liberal premier, I hope Canadians will take note.

I ask the Minister of National Health and Welfare to rise in his place today and say that the federal government has no intention of responding in any way whatsoever to this outrageous call for an end to universality in medicare by the Liberal premier of New Brunswick.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I did not wait until today to rise in the House of Commons to say that, but I believe that the health care system in Canada is maybe the best in the world and Canadians should do their best to keep that system intact. I repeat exactly that today.

I believe that we should all work very, very hard to keep our health care system universal, accessible, and with all other principles we put forward. Once again, it is the best system, but it has to be viewed in light of the reality of today. That is why we are working with the provinces. To my knowledge, all of those provinces agree that we should do what needs to be done to keep the health care system intact, and I share those views.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I have a supplementary. The premier of New Brunswick apparently said he believes that wealthy Canadians should be paying more for their health care.

Does the Minister of National Health and Welfare agree with me today that the way to meet the funding problem at the root of the crisis in health care is to make sure that the rich are paying their fair share of taxes so that medicare can be fully funded out of the common treasury?

Will he say today in this House of Commons that this government is going to finally bring in the kind of tax reform that will enable us to pay for medicare instead of following the advice of Liberal premiers like Mr. McKenna, who is more afraid of the Irvings than he is of ordinary people who fear for their medicare system?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I believe the member knows that Mr. McKenna is not the first to raise the question of the health care system in terms of the way that we support it financially.

The premier of Newfoundland said that universality should be over. The province of Quebec is now looking at different ways of refinancing the system. I hope the member does not ask me today to raise taxes to finance a system which is the second most expensive in the world. The ministers of health, including ministers from Manitoba, British Columbia and Saskatchewan, have said that there is enough money in the system and we should look at the way we are managing the health care system in Canada to provide the same quality of services. It is not an answer to put more money in the system.

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• (1450)

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, farmers in Abitibi and Témiscamingue feel it is important to protect the supply management system for the dairy, poultry and egg industry.

Could the minister tell the House today that negotiations are still going on and that the Canadian government will maintain the supply management system and defend it to the very last, even after March 2, 1992?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I personally had a chance to meet a number of farm producers in Abitibi–Témiscamingue. At the very least, our conversation was frank and forthright, and the same applied to the positions that were taken.

I can repeat, for the benefit of farmers in Abitibi–Témiscamingue and farmers throughout Quebec and across Canada, that our position has not changed. I realize people are spreading all kinds of rumours, but I would urge the hon. member to repeat this to his farmers: The important thing is that farm producers in Quebec and Canada stand together and support the federal and provincial governments in defending our position at GATT. It is the only way to show the world that the Canadian government stands by its position, and we will do so to the very last.

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[*English*]

EMPLOYMENT

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Employment and Immigration.

Last week Statistics Canada announced that more than 11,000 people lost their jobs in Manitoba, 25,000 in Alberta, and 15,000 in British Columbia. In the last year 50,000 westerners have lost their jobs. The economic policy of this government is crippling western Canada. What specific measures will this minister take to put 426,000 westerners back to work?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I think the concern that the hon. member raises regarding the situation of unemployed people in Canada is well reflected by the First Ministers' Conference that is taking place as we speak.

We heard the premiers of every province and the territories and the Prime Minister this morning trying to come together to find a way. The Government of Canada has already, according to the premiers I heard this morning, put in place a series of measures that puts into

place the fundamentals for a sustainable recovery. We are on the verge of that recovery.

In the meantime, the Department of Employment and Immigration is spending some $3 billion in training and in adjustment of workers in the work force. That is applicable to western Canadians just like every other Canadian.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my supplementary question is for the same minister. The training strategy to which the minister alluded is not completely reaching out to young Canadians.

Let me give an example. A young constituent told me this week that he just sent off his 500th application for a job. He has a Masters degree and will go anywhere in the country. What advice would the minister have from this government for that young man?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I cannot on the floor of the House start advising people as to how to access a job, except to say to this individual and all others that the Canada Employment Centres throughout the country have people in place who have the abilities and the means to help these people access jobs that are available in Canada.

I told the House last Friday that in 1991, last year, our interpretation of the help wanted index showed that we had 300,000 jobs that could not be filled because of skills shortages.

If he has a Masters degree, by contacting an employment office that person can seek help to find a job.

* * *

TRADE

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, more than a year ago all three parties in the House urged on the government the importance of "close consultation with Parliament as the North American free trade negotiations proceed". Yet it is only through the Access to Information Act that Canadians have now become aware of various government studies of the proposed agreement which concluded two years ago that its net cost can be high while the benefits may be marginal.

Given the all-party support for close consultation with Parliament, will the government now table all relevant documents, including an analysis of the draft treaty?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I have to tell my hon. friend that in fact the documents that were prepared over a year ago to advise the minister on the pros and cons of a NAFTA negotiation were put together in a form and made public over a year ago.

The minister in fact met the committee on October 3 and the deputy minister a few months before that. The minister will be meeting the committee on Wednesday of this week to give my hon. friend the information he pursues and, I am sure, fill the committee in on all aspects of the agreement that he can do without jeopardizing our negotiating position.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, is the minister saying that the government has tabled all relevant documents? Last week the Minister for International Trade said that Canada had entered the negotiations to protect its interest, not presumably to seek any particular benefit for Canadians.

In response to Parliament's plea that the government keep Parliament regularly and fully informed, will it finally tell Canadians how it intends to protect their interest with regard to the environment, communications, energy, culture? What specifically are the national interests that this government intends to defend in these negotiations?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member should be reminded of the over-all objective of these negotiations. It is to make sure that investment that will occur in North America is not shut out of Canada because we are shut out of the Mexican-American-Canadian NAFTA negotiations. Our tariffs, by the way, are pretty well gone against Mexico. They have quite high tariffs against us. We want to negotiate their tariffs down. We also want to have leverage on those other two countries in a broad continental way.

That is why we are pursuing these negotiations and that is why we will continue to pursue them.

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, the banner headline and story over the weekend is surely one of the most frightening of our lifetimes to those who read it and understand it: "Keep children out of the sun, Charest warns". Parents should not let their children play in the sun at any time. Environment Minister Jean Charest has warned: "It is a lot more prudent to stay out of the sun".

The minister's words make clear the urgency of the situation to Canadians. I would like the minister to confirm the need for a complete world-wide phase-out and ban on ozone depleting substances, the urgent need to recapture those CFCs and other ozone depleters that are already out there and that are in use, and confirm the need that we need to have the Montreal protocol treaty negotiation and meetings now, not next November.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, the hon. member makes reference to reports of a statement. I think he draws a distinction in his question between titles in the newspaper and the quotes. In fact one specific quote that he made is one that just follows common sense and is in fact part of advice that parents who have children in that age group have been receiving for years.

Let me offer a quote of my own. It is an article in *le journal Le Soleil* in French by a person I do not know and he is quoted also, so there may or may not be an error. Dr. Bernard says, and I will read it in French:

[*Translation*]

"Dr. Bernard says that this warning is in line with the one agreed on several years ago by the Canadian Dermatology Association".

[*English*]

That in fact is what I was alluding to, that elementary common sense and prudence would indicate that we should be careful with the sun and that is especially true for young children.

• (1500)

I think the member and I are in agreement on the fact that this is a problem of global importance. I have already said that we as a country are interested in accelerating the phase-out of CFCs. We are not the only country to be part of the Montreal protocol, but we will be working very hard in the international community to accelerate the phase-out given this very important problem.

Mr. Jim Fulton (Skeena): My supplementary question, Mr. Speaker, is for the Minister of National Health and Welfare who I am sure must be sharing the views of the Minister of the Environment. The United Nations environment program has released a report that is just as alarming as NASA's from last week. It shows, in terms of health effects from ozone loss, massive new increases in cataracts and blindness, skin cancer, melanoma, increased severity of AIDS and other viruses.

I would like to ask the minister of health to give a very clear statement in this House to parents and to children in this country. Does he agree with his colleague, the Minister of the Environment, that the solution to this is just to keep the children indoors 365 days of the year, or should we be moving vigorously as a nation toward an absolute ban world-wide of the production of these substances and a mandatory regulation to get them out of use? We can do something. We are not a bunch of nitwits.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, the hon. member seems to want to indicate that he is taking this issue very seriously. If that were the case, with respect, he is not rendering a service to anybody by misrepresenting what I have said.

I have never said that parents should keep their children inside 365 days of the year. It is not true. What I have said is what is relevant to common sense and knowledge based on information given to Canadians by dermatologists for years now, that we should all be careful with the sun, that children between the ages of two years old and eighteen years old are more vulnerable, and that in applying common sense, given the information we have now, we should be more prudent. Those are the facts.

Given this situation, let me repeat to the hon. member that the Government of Canada will do everything in its power, as has been the case up until now, to accelerate the phase-out of CFCs in Canada.

ARTS AND CULTURE

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister of Communications.

As we all know, at all levels of expression our artists are the foundation of our cultural reality and yet in Canada the average artist lives at or near the bottom of the income scale. In fact, by virtue of underpayment or non-payment, ironically our artists are probably the strongest patrons of our cultural being in this country.

What policy initiatives will be forthcoming to compensate or to encourage fair compensation to Canada's artists for their work and when will those initiatives be introduced?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, I strongly support the point of view of my hon. colleague. Though people have sometimes talked about contributions made by the Government of Canada or by other levels of government in terms of subsidizing the arts, it has been Canada's artists who have been subsidizing the rest of us for too many years.

We have legislation before Parliament at the present time on the status of the artist bill which will help for the first time to properly put a value on the contributions made by Canadian artists to Canada.

In addition we will be proposing phase two of copyright and we have taken a number of other measures such as the new book publishing policy designed to enable artists and writers in Canada to be more successful.

In all of these ways I think we can help to put something back into the artistic community which has been giving so much to Canada.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both officials languages, the government's response to 26 petitions.

[Editor's Noted: See today's Votes and Proceedings.]

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Stan Keyes (Hamilton West) moved for leave to introduce Bill C-330, an act to amend the Criminal Code and the Parole Act.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Keyes: Mr. Speaker, the constituents of Hamilton West, and in fact people across this country, say that the time has come to address the issues associated with the victims of violence.

The intention of this bill is to amend the Criminal Code of Canada so as to give victims of violence a greater say in the disposition of persons convicted of violent crimes.

If passed into law the bill would see an end to day passes and escorted absences for persons convicted of violent crimes like sexual assault and murder.

The bill would also remove the so-called faint hope clause from the Criminal Code, which allows persons convicted of first degree murder the possibility of parole, because for the victims of such crimes there is no faint hope.

The Acting Speaker (Mr. DeBlois): Mr. Keyes moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

EXCISE TAX ACT

MEASURE TO AMEND

Mr. Ronald J. Duhamel (St. Boniface) moved for leave to introduce Bill C-331, an act to amend the excise tax Act (books).

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Duhamel: Mr. Speaker, today I would like to introduce a private member's bill entitled an act to amend the Excise Tax (books). Its intent is simple. It is to exempt books from the application of the goods and services tax.

This bill clearly defines books and is in keeping with a 123-year old tradition in Canada of a zero rate of tax on books, magazines and newspapers, which was broken by the introduction of the goods and services tax in January of last year. It excludes books from taxation.

Mr. Speaker, I think you will agree, as will my colleagues, that the uninhibited dissemination of the printed word is a cornerstone of democracy, culture and education in a literate, progressive and productive society.

It is for these reasons that I have introduced this private member's bill.

The Acting Speaker (Mr. DeBlois): Mr. Duhamel moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

TRADE

CANADA-UNITED STATES-MEXICO

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I am sure you would find unanimous consent of the House to move the following motion:

> That the government table in this House all documents, studies and papers relating to the Canada-U.S.-Mexico trade negotiations, including copies of any draft treaty or agreement within 24 hours of the adoption of this order.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent?

Some hon. members: No.

PETITIONS

PRINCE EDWARD ISLAND

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have the honour and privilege to present a petition signed by well over 300 residents of Prince Edward Island.

These residents are concerned about the possible impact on their island province of the federal government and provincial government's decision to call tenders for the construction of a bridge connecting Prince Edward Island with the mainland.

• (1510)

They indicate that the federal government has chosen to proceed with a bridge by calling for this project to be put out for tender, while ignoring the views of residents of Prince Edward Island and the warnings of its own environmental assessment panel of August 15, 1991.

The petitioners therefore humbly pray and call upon Parliament to request a halt to all business related to this issue until such time as a direct vote of the public is held in the form of a plebiscite to determine specifically whether the construction of a bridge should proceed across Northumberland Strait.

The House will be reminded that an initial plebiscite was held asking about a fixed link, and a small percentage agreed to that. However, the question of whether it should be a bridge has never been put to the people of Prince Edward Island. I think it should.

GOODS AND SERVICES TAX

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have the honour to present a petition with respect to the removal of the goods and services tax on books.

Petitioners from a number of parts of Canada point out that this tax does not belong in a democratic society; it runs against the principles of increasing productivity and increasing literacy.

POST-SECONDARY EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have a second petition to present.

The petitioners are requesting that the government reconsider the cuts that it has brought upon education, particularly post-secondary education.

The petitioners point out that there is a need for Canadians to participate fully in education in Canada if we are to be competitive and productive. They want especially the removal of the 3 per cent tax. They point out that this year alone $485 million has been cut from transfers and they believe investment in education is essential.

The petitioners cry from the heart: "Stop these cuts".

HOUSING

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I rise to present Parliament with a petition signed by constituents living in a senior citizens' co-op apartment, mainly retired school teachers.

The petitioners are concerned with the federal proposal to transfer jurisdiction over housing to the provinces without compensation. They are concerned that some provinces will not be able to afford the co-op and non-profit housing programs.

Therefore, the petitioners are urging the government to recognize housing as a shared federal-provincial responsibility, to support the federal, non-profit co-operative housing program, and to maintain the Canadian Mortgage and Housing Corporation.

THE ENVIRONMENT

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am rising to present an official petition signed by many members of the riding of Broadview—Greenwood.

The petitioners are once again calling upon the government to honour the commitment it made to addressing the hot spots of Ontario, not only through the green plan but also in Hamilton in 1988 when it put $150 million toward addressing this problem.

In my riding the Don River, which is the hottest spot, the most polluted river in all of Canada, needs attention immediately. We ask this to be a model of reclaiming rivers in Canada.

The petitioners humbly ask that the government begin the process of reclamation.

JUSTICE

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, it is my pleasure to present some petitions today with many thousands of signatures to add to the over 210,000 signatures which we have already received.

These petitioners feel that there are serious deficiencies in the criminal justice system. There are many vulnerable persons who have little protection under the current system. Women, children and disabled persons are at a particular risk.

These petitioners request that Parliament recognize that crimes of violence against the person are serious and abhorrent to society. They ask Parliament to amend the Criminal Code of Canada, the Bail Reform Act of 1972 and the Parole Act accordingly.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, if Question No. 196 could be made an Order for Return, the return would be tabled immediately.

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House that Question No. 196 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

[*Text*]

Question No. 196—**Mr. Wood:**

With respect to the northern Ontario regional development called FEDNOR (*a*) how much money has the government appropriated to it for fiscal years (i) 1989-90 (ii) 1990-91 (*b*) how much is the government forecasting to spend in fiscal year 1991-92 (*c*) how much of the appropriation for fiscal year 1990-91 has been spent to date and (i) on what projects (ii) what are the criteria used in distributing funds?

Return tabled.

[*English*]

Mr. Cooper: Mr. Speaker, I ask that the remaining questions be allowed to stand.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

PUBLIC SERVICE REFORM ACT

MEASURE TO ENACT

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

The Acting Speaker (Mr. DeBlois): The debate is on the main motion and the amendment of Mrs. Catterall. When the motion was adjourned at 2 p.m., the hon. member for Ottawa South still had 11 minutes left.

Mr. John Manley (Ottawa South): Mr. Speaker, at 2 p.m., I was saying that the main problem with the Public Service right now is the public servants' morale. This problem was very well explained when the report of the task force on services to the public, one of the studies done by Public Service 2000, was tabled.

[*English*]

The Public Service 2000 task force report refers to the following: "Recent research reveals low morale among sector managers when compared with their private sector counterparts. Our task force research also shows that public servants feel stereotyped as lazy and uncaring more by the general public than by their own departmental clients".

You might wonder why this is relevant to the reforms that are under way. I submit that in attempting through this process of Public Service reform and revitalization to address issues of service to the public, a failure to deal with underlying causes of low morale in the Public Service dooms to failure this reform. This task force, in its report on service to the public, a very interesting document, highlights the characteristics of a client centred organization.

Trying to focus on what reforms are necessary to make the Public Service of Canada more client centred, one of the characteristics which I have highlighted is: "These organizations", that is client centred ones, "treat their managers and staff well, engendering attitudes which encourage empowerment, participation, delegation and trust.

If you accept the premise of PS 2000, the government is trying to get people lower down in the bureaucracy to take responsibility for things that are before them; to become accountable, yes, but to make decisions; as Glassco said many years ago, to make managers able to manage. If that kind of responsibility is going to be taken, the managers and the people with whom they work must feel part of the process.

Surely in embarking on a reform of the Public Service which was intended to make it more client focused, it would have been wise had that reform not been undertaken through a process of study which was entirely top down.

When you look at the issues that have given rise to what is currently a chronic and very continuing state of low morale in the Public Service, you ask yourself how a top down study such at this one, together with the kinds of problems that are compounding the problems that the Public Service is experiencing, will ever lead to a more effective, efficient Public Service.

Let me explain what I mean by those problems.

• (1520)

At present if you look at the people at the lower ranks of the Public Service, many of whom are my constituents, and you consider how the government provoked a labour action last year which led to a great deal of dissatisfaction and mistrust between those employees and their employer, you understand that it will be very difficult to rebuild that morale.

These people are low paid. They are the least empowered, if you like, of all of the government employees and very often they are the people with whom the public deals. In asking the Public Service to accept restraint in wages, which I think it was more than prepared to do, in choosing not to ask it to restrain its wage increases but in offering it a zero per cent increase in a year in which inflation was running on average around 5.5 per cent, the government was so unreasonable as to constitute a breach of trust with the very people we are now asking to be more responsive and more considerate in their dealings with the public and more determined to provide more for less in the context of greater efficiencies.

At the other end of the spectrum, at the senior end of the spectrum, you have a different phenomenon occurring. Over the course of this past few years in government we have seen the erosion of the very important principle of ministerial responsibility. We have seen it in two cases. We have seen it first of all in 1989 in the case of the budget leak, in which the Minister of Finance proved himself unwilling to take responsibility for the fact that portions of his budget were leaked in advance. Instead he chose to stand in the House of Commons, as did the Prime Minister of Canada, and say that it was caused by a criminal act—complete abrogation of his duty as a minister.

Then, more recently, we had the case of the ministers of external affairs and immigration in the affair known as the Al Mashat affair. In that case again ministers of the Crown not only failed to take on their ministerial responsibility but were willing to name public servants in public as being responsible for things that went on in their departments.

Kenneth Kernaghan, a political scientist at Brock University and respected authority on public administration, was quoted in *The Ottawa Citizen* in June 1991:

> It is extremely important that ministers do not publicly name and blame whoever is at fault. This is to preserve both the anonymity and political neutrality of public servants. Loyalty, after all, is a two-way street. By tradition, public servants are not permitted to speak out in their own defence against ministerial criticism.

In commenting on this affair, the *Montreal Gazette* wrote:

> What is indefensible is the spineless attempt by the ministers involved to cover their own tracks in this affair.

The *Montreal Gazette* says that the ministers involved:

> —did not behave like ministers responsible by parliamentary tradition for all that happens in their ministries. They behaved more like cockroaches scurrying for cover when the lights come on. They all denied prior knowledge of Mr. Mashat's immigration and deplored his admission. They dissembled, they changed stories, they pointed the finger at others, they blamed and named civil servants.

In the face of the conduct of this government, in the face of the fact that it has lost credibility and authority as a result of its incompetence and unwillingness to listen to the people of Canada, how on earth can it come forward with a package of reforms such as Public Service 2000, with a bill such as Bill C-26, and expect not only the people of Canada but particularly the members of the Public Service of Canada to take it seriously?

I suggest that it is unthinkable that this package of reforms, with its top down approach and coming from a government that has lost its authority over its own employees, can ever hope to solve the problems the Public Service confronts. It seems to me that the suggestions made by the public accounts committee, when it reviewed the PS 2000 documents earlier on, to refer the discussion papers to a House of Commons committee, was the correct approach. What we need is a study not only by the senior bureaucrats themselves but one by the Parliament of Canada into the Public Service to help us to understand how that Public Service can be best redirected at the end of the 20th century to meet the hopes and needs of Canadians.

It is not enough just to leave it in the hands of the ministers and their senior deputies. It is far too important a task.

I would like to add my voice to that of my colleague from Ottawa West who moved an amendment to the government's motion asking that this bill be pre-studied. Perhaps in that study there will be the opportunity once and for all for parliamentarians to figure out what kind of games are being played by the government in their continuing practice of contracting out functions that in the past have been performed honourably and competently by the Public Service of Canada.

The fact that this continues without any clear accounting system, enabling us to know what is being spent on contracting out, continues to be one of the unproclaimed scandals of the present government. This issue has to be examined under the bright lights of parliamentary and media scrutiny.

I do not think we can support this bill. This bill, bringing forward as it does a few elements of a very broad and very important study, is inadequate to be voted on in the House of Commons without a complete and thorough study of a lot of the principles and the basic concepts that underlie the Public Service today.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I would like to say that my colleague from Ottawa is always here for his constituents, many of them being public servants. I know that the Public Service tends to be battered from one end of this country to

another, especially in ridings like my own where we do not have a lot of public servants. Quite often when service to the public is at fault or it is slow or there are problems in process, it is always the Public Service that tends to get the brunt of the criticism.

We are in a very difficult economic period where the demand on the Public Service is probably twice as high as it would be during a period of a good economy, so there is even more pressure on our public servants, those people dedicated to the service of Canada. They are constantly being bombarded with very difficult situations.

My question for my colleague relates to the number of people in the Public Service. I notice that the numbers in the Public Service right now are the same numbers we had in the early seventies. I think my hon. member, having a large riding of public servants, could be more specific.

I cannot imagine an organization like General Motors, any factory or any organization that was growing and meeting the needs of the market, having in 1991 the same number of people as they had in the early seventies and still expect to succeed in the quality of public service that was required.

Does my colleague not think that that sort of constricted action, that grinding down of numbers and support services within the Public Service Alliance of Canada not only affects the morale of the country but also the quality of service that ultimately we are all elected to provide through them?

Mr. Manley: Mr. Speaker, I would like to thank my colleague from Broadview—Greenwood for his question. All of us as members of Parliament from all parties have experienced the effects of the downsizing of the federal Public Service. We experience it on a daily basis in our constituency offices as we endeavour to help constituents who are trying to deal with whatever their problems may be with the federal government.

• (1530)

Recently we found in the area of income security the difficulty of getting information from income security offices on constituents' pension matters, on their Canada Pension Plan, Old Age Security and so on.

I know we all experience, especially in urban centres, the incredible delays in dealing with immigration matters where we have months and months going by while we wait for information on very basic and simple cases. I have followed up on letters I have sent as a member of Parliament to the minister of immigration for which replies were not given within a year of writing. This is how badly backed up the service has become in the Public Service of Canada. The reason is clear. When you look at the number of person years, which is essentially the number of people who work in the federal government, they have declined from about 258,000 in 1983–1984 down to 221,000 in 1990–1991. This is about the level it was in 1974.

All Canadians appreciate the fact that the federal government is being called upon to provide more and better and faster service to the people of Canada than it was almost 20 years ago, yet the people that are actually engaged in doing that are fewer in number.

That is also true in the policy development area. I mentioned earlier we are confronting a large number of very significant policy issues, partly the economic ones that I referred to of internationalization that is occurring, but also we are going through in our society a very dramatic demographic shift as the population ages. By the year 2040, regardless essentially of what we do with immigration, our population in Canada will decline.

We are in critical need, I think, of the very best minds that Canada has to offer in the area of policy development at the government level. Instead of twisting and squeezing and trying to grind this number of public servants down, ostensibly an effort to save expense, we are losing out on the opportunity to have the very best policy development occurring.

[*Translation*]

Mr. Ricardo Lopez (Châteauguay): Mr. Speaker, I rise today to speak in support of Bill C–26 that is now before the House. I do not at all pretend, as the hon. member for Ottawa South just did, that with this bill we are trying to decrease the number of civil servants or trying to denigrate them. I think that they render all Canadians valuable services.

I have often had to deal with officials of the Public Service of Canada and I can tell you, Mr. Speaker, that I am very satisfied with it. Most of them provide very professional and competent services and make the work of all of us much easier.

The bill before us today is not meant to diminish the number of our public servants or to degrade them; it is primarily intended to make them a little more mobile in their tasks and in their career progression. The Public Service of Canada now has 71 job classifications, which make it practically impossible for public servants of a particular rank and qualifications to move up to higher levels even though they may well be qualified to do so.

Basically, this bill is to allow that flexibility, to be fairer to our public servants, especially those in positions traditionally held by women, since in some categories, women cannot advance and it is practically impossible for them to apply for another type of employment with other qualifications that would give them the opportunity to provide Canadians with very good services and at the same time use their skills.

So I must support this bill because it will make the government more efficient by being able to obtain competent people from other sectors and assign them where they are needed and because it is fairer to public servants, who can apply for positions they could not before.

Therefore I do not at all understand the opposition's arguments against this bill, since it is meant to upgrade our public servants. Nothing in the bill says that public servants do not do a good job or could be used, as someone just said, to denigrate or subordinate them. That is certainly not our intention—quite the contrary, I think.

At the same time as it recognizes their skills, this bill can help them advance, because you have to put yourself in a public servant's position. If they really want to give their fellow citizens good service, they should be given the opportunity to do so. Those who are competent must not be limited.

So that is the purpose of the bill and I can only support it, Mr. Speaker.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the amendment before the House proposes: That Bill C-26, an act to amend the Public Service Employment act, the Public Staff Relations Act and other acts in relation to the Public Service of Canada, be not now read a second time but that it be read a second time this day six months hence.

This is a striking example of a government bill that must be examined in depth by this House, by all members interested in this issue, in order to improve it, Mr. Speaker, and to change its principle as well as its implementation and substance. Mr. Speaker, I deeply regret that the government did not follow the advice of the public accounts committee of this House which, a year ago, strongly recommended to the government the referral of this bill or of a draft bill to a Committee of the Whole.

Mr. Speaker, it has taken 25 years to bring significant changes before this House. If we go back 25 years, we notice that when the original act was drafted, all the parties were involved in the process. This process did not involve only the government. No. All the political parties had been involved in order to ensure a fair examination of the Public Service Employment Act, and to ensure that all parliamentarians be aware of the importance of a Public Service accountable to the public at large and to this House, as well as responsible in its administration.

Now we have a majority government that tables, on second reading, a bill which, as we know, could be passed in its present form, given the number of government members. Mr. Speaker, I deeply regret this situation, because I am convinced that the experience of the members of the opposition, as well as of those of the government, could have been beneficial and positive. We are therefore in the difficult position of proposing an amendment that asks the House to defer this discussion for six months precisely so that we can have this parliamentary exercise, so that we can examine the principle and the substance of the bill before passing it.

• (1540)

As I was saying, this bill is important for civil servants, but it is also important for Canadians. Since it was elected in 1984, the attitude of this government, the Conservative government, toward its employees, makes almost mandatory a complete revitalization of the Canadian Public Service. One only has to take a look at the numerous reports that were tabled, here in this House, or that were ordered by these royal commissions of inquiry, to know about proposed changes to improve the

Public Service. I refer hon. members to the Glassco report, in 1957—that is going back a long way—by the royal commission on economic perspectives in Canada; the Finkelman report, that many of us know because we spent several months with its author examining the scope of the proposals to amend the Public Service Staff Relations Act; the Lambert royal commission in March 1979, again on financial management and accountability; the d'Avignon report, in September 1979, by a special committee on management and the merit principle; the McDonald report in August 1985, by a commission which again studied the economic union and the development prospects for Canada. All those reports Mr. Speaker, without any exception, proposed numerous solutions, some of them very interesting, that were often forgotten and totally ignored by the governments.

And now we are faced with the implementation of another report. This one is called Public Service 2000, with all its advantages and shortcomings, praised largely by members of the government and criticized by everybody else, mostly by the unions, employees and your humble servant.

The synopsis of the document on the renewal of the Public Service of Canada says, and I quote from the briefing notes we received: "What is different about Public Service 2000 is that it is led from within by those who must implement its results". We are told that public servants were involved. I know some were.

There would certainly be fewer critics if the government had taken the advice of the public accounts committee which I have the privilege to chair which had recommended or strongly suggested submitting the working paper to a special committee of the House on a proposed reform of the Public Service of Canada, well before tabling amendments in the House. We as members were excluded from the consultation process and from any direct involvement in drafting or improving this bill.

There would probably be fewer critics, Mr. Speaker, if the government had stood by its previous commitment to consider only amendments approved by representatives of employees and senior management, as reliable critics.

Consider some of the changes. Selection according to merit, which is the prevailing standard today, means that a person is hired for a job in the Public Service according to merit. In other words, the person best qualified to do the work gets the job.

According to clause 10(2), instead of using the merit principle exclusively, in future the commission may use measures or standards based not on merit alone but also on comparative tests of candidates. In other words, so and so is better suited to the job for the time being, even if he does not win on merit.

We are told there will be regulations to ensure impartiality, to ensure that people do not revert to nepotism by appointing friends or relatives. What will those regulations be like? I don't know. Will they enhance or detract from the merit principle? I don't know. There is a possibility that not the best candidate is selected but the one that suits the manager.

That is what some people have said, and I think that until we have some clear and specific answers, those claims are justified. The unions told me this measure could be used as an excuse for favouritism and all kinds of harassment, including sexual harassment. Mr. Speaker, we don't want to go back to that. We don't want that.

In the case of temporary employees, a new clause would be added to allow the Public Service Commission to appoint any person for a period not exceeding 90 days. An extension could be granted, not exceeding 125 days a year, in the same department or any other part of the Public Service.

Many people, myself included, believe that continual employee turnover and lack of continuity could lead to poorer service rather than the improvement sought.

Some clauses deal with the organization of the Public Service, of the allocation of positions in it and their classification. Mr. Speaker, I have been talking about this issue of job classification for 12 years. These issues will not be subject to arbitration. Nevertheless, this same government in 1984 promised as firmly as it could and as often as it could that job classification would be negotiable, Mr. Speaker. It did not keep its word. We have proof in Bill C-26 today. Even Mr. Mulroney, the leader of the Progressive Conservative Party, promised in 1984 to make staffing and classification negotiable.

Mr. Speaker, many of the proposed changes will eventually have to be covered in regulations. What makes it difficult for members here to pass this bill is that we cannot assess the impact of many of its provisions. It is not a bill that is easy to read, I agree. It covers complex legislation. The staff relations act, Mr. Speaker, is hard to know. You almost have to have been involved with it for 18 or 19 years to begin to get a feel for it.

Let us return, Mr. Speaker, to the primary purpose of Public Service 2000: to give public servants and managers more power; to give Canadians top-quality services. According to the authors of this reorganization plan, PS2000, Public Service 2000, as it is called, and Bill C-26, if I go by the material given to us, were to increase to the government's credibility—please note—and to give greater importance to serving the public.

This morning—

• (1550)

[*English*]

—we heard the parliamentary secretary say that public servants should spend less time serving systems and more time serving citizens. I agree with that. But let us see if indeed that is the result of this proposal.

[*Translation*]

What this bill should do is streamline a Public Service that has become too complex as a result of administrative red tape. I will give an example, Mr. Speaker, which you may think is rather far-fetched, but just the same: One day, a Public Service employee is asked to go and get a bottle of vinegar from government storage. It cost $30, Mr. Speaker, to take a taxi and go and get a bottle of vinegar that probably cost two or three dollars. Thirty dollars to get a bottle of vinegar, when he could have bought a bottle at the corner store, had he had the authority to do so. But that would have been against the rules! That bottle of vinegar had to come from a vinegar depot!

Mr. Speaker, that is the kind of story that makes Canadians somewhat cynical and is reminiscent of all the red tape that used to exist. When he appeared before the public accounts committee, the Auditor General suggested, and you will find this in the seventh report dated November 6, 1990, and I quote: "The current legislative and administrative framework is not adapted to the environment and challenges facing the Public Service today—the need to eliminate unreasonable constraints, devolving more meaningful authority to departments and front-line managers, while ensuring proper rendering of accounts". There are references to increased delegation of authority. I think that is a sensible objective.

If I refer to the 1991 report of the Auditor General tabled recently, just before Christmas as a matter of fact, here is what I read: "An area of difficulty for past efforts at management reform appears to have been the absence of concrete proposals for moving from "here" to "there", for managing the process of change." Amendments to Bill C-26 are being put forward, but read this legislation carefully. Where are these concrete proposals for an efficient implementation? The Auditor General says further, and I quote: "The white paper on PS 2000 raises concern about excessive, detailed controls, but does not provide enough indication of the controls for government that are both essential and cost-effective." That is on page 26 of the annual report. He goes on to say that "any formal assessment of due regard to efficiency must rely on information about cost and performance."

Let me give you an example, Mr. Speaker, because I feel we should try to focus on this point. I will take the example of contracting out, in a department I am familiar with, the Secretary of State, and a function I know well, translation. At present, an employee may be laid off by reason of lack of work or the discontinuance of a function. The bill before us will enable us to lay off an employee whose services are no longer required by reason of lack of work or the transfer of work outside the Public Service, in other words contracted out.

Such an amendment was deemed necessary by government following a November 1990 appeal judgment by the Federal Court upholding a Staff Relations Commission decision that government had violated a collective agreement when it filled 278 clerk positions in Revenue Canada by contracting out. The judge said that he thought it was not correct to say that the services of an employee whose work had been contracted out were no longer needed for lack of work or because a function had been eliminated. His services were no longer required because the function had been given to outside contrac-

tors. The task still had to be done and the function continued to exist.

Mr. Speaker, I see you signaling me that I have no more than one minute left. In the field of translation, Mr. Speaker, in 1985, I think that 19 per cent of the work was contracted out. In 1989–90, it was 35 per cent and I am told that today, 50 per cent is to be contracted out. Where are the rules for accountability, Mr. Speaker? I know for a fact that officials now have a document for the decentralization of translation services because the departments are to be given the responsibility for administering this service.

Mr. Speaker, I ask you: Where is this document? Why do we not have it before us here in the House? Why can we members of Parliament not have it? I know that it exists. This document explains what the decentralization is about. It is important to know who will decide to privatize or contract out a service which it is this government's responsibility to provide as a servant of the state. I do not have all the information, Mr. Speaker, so I must tell you in conclusion that I cannot support this bill until it is reviewed and thoroughly studied by members of this House from all parties so that we can study this matter seriously fully documented and come to a consensus.

[*English*]

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I listened with great interest to the remarks of my hon. friend from Ottawa—Vanier who, I think all members of the House would recognize, has a very strong interest in this area, representing a very large number of public servants. There were a couple of observations that he made which I would like to comment on and then in turn invite his comments.

One has to do with the provision in this bill dealing with short-term contracting of up to three months and possibly renewable. I think it is important to note that it is difficult to recognize what workloads will be at any given time. From time to time within the Public Service, as within industry, workloads become particularly heavy and it is necessary to bring somebody in to assist in the short term. I would suggest that in such circumstances it makes more sense to go out and get somebody who can perform the task necessary and carry on. If a full-scale competition were required each time somebody needed to bring in a little bit of assistance, the need may well have passed before the competition was completed.

I think what we have in the bill here is the application of common sense. I think it is important to note that such casual employees would not become regular employees by entry through competition in the regular sense.

The other point has to do with subsection 10(2), which my hon. friend addressed. I see this whole bill as an attempt to inject a little more practicality and common sense. My hon. friend suspects, as did some earlier speakers in the New Democratic Party, some kind of surreptitious motive by the government. I think what we really have here is an attempt to apply common sense to the process. I think that is what subsection 10(2) does as well.

We have never really had an adequate definition of merit as opposed to competence in the assessment of circumstances. My hon. friend represents a large number of public servants in the Ottawa area. I represent a relatively small number of public servants in departments like Fisheries and Oceans, Canada Employment, CEIC and so on. It is very important to us that, for example, not just paper qualifications be taken into consideration when assessing people for promotions but, whether they know the area. Are they familiar? Do they understand the lifestyle and the priorities of people in a particular area?

• (1600)

Those things might not reflect themselves in paper qualifications. On the other hand, they are very critical in determining the competence of an individual.

The last point I will make with regard to that are the circumstances, for example, in which a job has been reclassified. Does it make sense to go to the cost, the time and the energy to have somebody reapply for their own job when they have a demonstrated competence in it?

I will stop at that and perhaps my hon. friend would like to comment.

Mr. Gauthier: Mr. Speaker, that is exactly the kind of debate I want. That is the kind of debate parliamentarians should have.

I brought out two or three points. I have another 25 points I could possibly bring out.

The member says that we do not have an adequate definition of merit. I have. The Public Service Commission is being attacked right now by his bill, in my view. I may be wrong. I have been wrong before. I am looking for some advice, some possible debate with the government members and those specialists in the field to make sure that the merit principle as I know it means that you get the job on merit, you can do it better than anybody else, and not because you know somebody or because you have better connections than the next guy. That is the merit principle as far as I am concerned.

I must say that I am satisfied with the annual report before this House by the Public Service Commission. I have been satisfied in the 19 years that I have been here that the Public Service Commission has addressed that question, has impartially administered that principle, that system.

I am worried now because the commission is being weakened. Look at clause 29 and look at clause 27. A new position is being created. I want to read it because it is important: "The Clerk of the Privy Council and secretary to the cabinet is the head of the Public Service".

Who is he? He is a nominee of the Prime Minister. Is the Prime Minister apolitical, non-partisan? Come on.

"He will table a report on the state of the Public Service in each fiscal year for the Prime Minister and the Prime Minister shall cause a copy of the report to be laid before each House of Parliament on any of the first 15 days on which that House is sitting after the Prime Minister receives it".

My concern is to make sure the Public Service of Canada is apolitical, non-partisan, chosen on merit, and not on the basis of who you know in the Privy Council and if you happen to be a friend of the system. I think that is wrong.

That is why I am concerned on that point. That is the merit principle.

Regarding the question of term employees, I do not have any quarrel with term employees. They do not have any quarrels with our position. They would like to be treated like human beings.

If I read the bill properly they are going to have a nomination for 90 days with a possible extension to 125 days within the same department. Some people have said you can go on and on and this can be a continuous rotation in every department: "We will move our friends after 90 days to 125 days. We will move them throughout the department for another 90 days and 125 days". I say we need explanations. That is not correct. I could go on to every section of this bill.

I beg the member to vote for us, vote on this motion so that we can get into committee and debate these questions and return with a bill, with a response that has been properly studied by all of us who have an interest in this bill.

Mr. Manley: I rise on a point of order, Mr. Speaker. I think we have all been impressed not only with the thoughts that have been expressed by the member for Ottawa—Vanier but with his long experience as a member of this House and as chairman of the Standing Committee on Public Accounts.

He has indicated that he has a number of other points that he could address. I wonder if there might be unanimous consent to give him an additional 20 minutes so that he can continue to share his wisdom with the House.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to give more time?

Some hon. members: No.

Mr. Sid Parker (Kootenay East): Mr. Speaker, I wish to participate in the debate on Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada.

It is interesting that the government would see fit to bring in legislation at this time and to hear members of the government's side of the House tell us how fair it is going to be for the public servants of Canada and how efficient it will be.

We saw how fair this government was last summer when the Public Service Alliance was coming to the government with its concerns. We saw close to 100,000 out here on the front lawns and how this government reacted.

Before I start on the bill, it would be appropriate to give a little history of what this government has done

over the last seven years with regard to public servants. Since the Mulroney government came to power just over seven years ago, we have seen an unprecedented attack on government services. It has passed legislation which cuts funding for health care, education, housing, unemployment insurance, job creation, the CBC and VIA Rail. It has given us eight more senators. He found some money for eight more senators to be able to get a piece of legislation through the Senate. It increased the salaries of bureaucrats by tens of thousand dollars each, including a massive raise for the Governor of the Bank of Canada, Mr. John Crow.

We are not talking about efficiency. We are not talking about fairness to the Public Service people. I have talked to the Professional Institute of Public Servants. Yes, there are some in those departments who would be only too happy to see this piece of legislation go through and some of the powers they would have.

I have many public servants in my riding. I have three national parks: Kootenay National Park, Yoho National Park and Glacier National Park. People are out working the highways with knowledge of what is going on. What this bill will do is take away the initiative and the pride they have in their jobs.

We also have joined highways of provincial jurisdiction that are now contracted out. I want to say to this House that I have seen the difference between privatization and our public sector workers through PSAC on our park roads. You can notice this immediately when you leave the federal park road and hit the provincial road that is now under private enterprise.

I have seen the kind of jockeying that takes place when it comes to contracts and how these are dished out. When I hear the member from the Liberal Party asking to have this bill hoisted for a six-month period, I am in full agreement. It is time this government started to listen to some of the people and let the opposition side of the House have some input into the kind of legislation that it is bringing forward. The kind of legislation that it is bringing forward is not going to address the needs of the Canadian people. We have seen that before. We have seen where this government stays in the polls at this time. It is down to 12 per cent. Is it any wonder that this government is down 12 per cent in the polls?

I talk to public servants in my riding and they tell me about the conduct of what is going on and how the morale has changed. When I talk to the people in the income tax department, in the unemployment insurance department, people involved in the highways, the parks or in customs throughout my area, I begin to realize exactly how these people are being treated and why the Canadian people feel the way they do toward governments.

They reflect what the government is doing to them and to the opposition members as well. It is wrong. These people have a great deal of pride in the work they carry out. They are very efficient in their work and how they conduct themselves. They are literally being throttled by this government with its policies and programs. Their grievances have built up through the years. These have not been processed and have not been put through the system in an efficient manner because this government does not believe in it.

• (1610)

It believes in giving them certification as a union to negotiate in good faith and then it treats them like it did last summer, passing back-to-work legislation without any mediation.

Then the member on the other side gets up and asks the member if he thinks this government is going to be fairer. In fact, his actual words were: "Flexibility to be fairer to our public servants". Can you imagine?

I do not know where he gets the audacity to come into this House and say they want to be more flexible because they are going to be fairer. I want to say to you, Mr. Speaker, it is a matter of trust.

The Public Service Alliance does not trust this government. The people of Canada do not trust this government. The opposition does not trust this government. The Liberal amendment asks for a six-month hoist on this bill. It recommends bringing in some of those PSAC representatives and those experts they have brought forward. Let us bring in the opposition side of the House and sit down and go over this bill. Let us bring about some changes.

We all know that some changes are needed, but let us bring in some changes that are going to be for the benefit of all Canadians and not for the benefit of the agenda of this government.

I would like to go over some of the concerns. Once again, the Tory government is going after workers in the public sector under the guise of reform. The rights of workers in the federal Public Service are being undermined. There is no question about that because that is what this bill is all about.

The government says it wants to establish a more creative, innovative, service oriented Public Service. In reality it wants to impose from the top down this vision regardless of the needs and the inputs of the workers.

I worked for CP Rail for 40 years and I saw an employer who I thought was callous. But I want to tell you that we used to operate those trains and leave that division. They knew that train was in our possession, and they respected that we were going to run those millions of dollars worth of trains across the country. They gave us some authority and some respect.

If this government did the same to our public servants and gave them the respect and dignity they need, we would see a much better response from those workers. We would see a much better attitude across Canada in what these people are trying to perform and how they are trying to carry out their duties.

That is the kind of legislation we should be looking at. If we want to really address the problem, we should be looking at some kind of communication among those workers, the government and management, and bring about the kind of legislation that is going to best address the system.

We talk about competitiveness in the work place. I will tell you that the Japanese have certainly shown us how to do it. They have been doing it for about 10 to 15 years, and this government still has not caught on to the idea that it better sit down with its workers, the people who are carrying out the every day chores and the every day agreements that are laid out and the process of that.

It better sit down with them and get the co-operation of those people, their managers and the various people, to bring about the kind of changes we need. It is not going to get it by forcing this kind of legislation through the House of Commons.

Many in the Professional Institute of Public Servants are waiting with their hands folded over for the authority that this new PS 2000 is going to give them to make the kinds of decisions and changes they want. They are waiting for the extra power they seem to think they are going to have, but it will be short-lived.

It will be short-lived because this government will give them that authority until it decides it is time to make its patronage or other appointments. Those people will eventually find themselves down there with the other ones in the long run. I say to those who think there is something in this bill for them that they are sadly mistaken because it is not there at the present time.

The Public Service Alliance people, the workers who are out there trying to maintain their jobs and do their work, have had their fill of this government. They are telling this government in no uncertain terms that they are waiting for the day this government is out of power so they can deal with a government which will sit down and listen to some of their concerns.

I do not care whether you are dealing with public servants, labour in the private sector or whatever, you must have co-operation. This government does not seem to understand that you have got to have the co-operation of the people you hire and put in those places to work for you. Across Canada, this vast nation, there are public servants carrying out the regulations passed here in the House of Commons. This government does not give them the dignity nor the respect of trying to bring about that kind of co-ordination, co-operation between governments and the workers and the official staff and the workers. If this government thinks this response will do what it thinks it will do, it is sadly mistaken.

I would like to put on the record what some of the unions have to say. Contractors are taking the government for a ride. If it breaks down again, they will get more business. Members of the Calgary weather office produced a specialized snow forecast for the city of Calgary and the Ministry of Transport runway crews. MOT was not charged anything for this as it is an intergovernmental project, but the city of Calgary was charged $600 per month. In the name of privatization, the government has said that this cannot be done anymore. Now the cities pay 10 times as much for a firm in St. Louis to do it.

MOT has gone on to the St. Louis firm for the same reasons. The cost of total wages has been drastically reduced simply by contracting out services previously

performed by indeterminate employees at a high cost to the employer and a lower standard.

Reducing the number of employees has reduced costs, but has increased the workload of those remaining, contributing to low morale or no opportunity for job advancement and the ever-increasing fear that tomorrow they may not have a job. Is that the message you want to get out to your workers? Are those the kinds of opportunities you are telling these people about, that under the merit system they are going to be able to get their promotions? That is absolute nonsense, Mr. Speaker. There is no way the average worker doing his or her job is going to have any recognition or any further protection under this piece of legislation.

The bill is not about reform, innovation or creativity. It is about the further emasculation of the Public Service and rights of workers. This bill allows the government to continue to contract out work. The government now spends in excess of $5 billion on contracting out. There is no accounting for the expenditure and no study of the cost-effectiveness of the contracting out.

Imagine, there is no study of the effectiveness of it. It reminds me of a provincial highway. When I leave federal park roads which have been nicely ploughed and I hit the private sector roads in British Columbia which have been contracted out, I can sure tell the difference and so can every person driving an automobile.

It provides the mechanism for increased devolution of managerial responsibility and accountability. It attacks the job security of Public Service sector workers. The bill does not addresses the serious problem of low morale in the Public Service. Does it address that? No. Does it address the deterioration of the service to the public? No. Is it to modernize the collective bargaining process? The Alliance still will not be able to bargain issues of classification and staffing levels. Again, it is a matter of trust. Where the government has said in the past that it would ensure that it would have these opportunities, it is taking it away.

• (1620)

What do the workers want? They suggested making staffing classification and deployment of staff bargainable. That is not too much to ask. They would like an adjustment process to hear grievances on the above. If you have a grievance, surely to goodness it should be heard and it should be heard in a reasonable period of time. If you want to speed up and have an effective Public Service, for goodness sakes, do not leave grievances hanging out there until they create the kind of atmosphere which we have had. They want an end to contracting out. Is that too much to ask if your people are doing effective work and carrying out the work? If you are trying to bring about fairness to these workers, that is not too much to ask.

I could go on and on, but I know the government is not going to listen. It does have a majority. It will do the same with this piece of legislation as it did with the back-to-work legislation that it imposed on these workers by bringing in its heavy hand, not even bringing about discussions or normal process of legislation when it comes to back-to-work legislation. No other government, including the Liberals, ever brought back-to-work legislation into this House without first going to mediation. That is the type of heavy-handed attitude that this government has toward its workers.

For this government to come and say now that this piece of legislation is going to help those workers and that it is doing it to bring about a fairer contract for these workers, I say is ludicrous. It is a matter of trust. This government cannot be trusted and we cannot support this piece of legislation.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, my hon. friend indicates that this government cannot be trusted and indicates that this government does not listen. I would remind him that the people of Canada in 1988 and before that, in 1984, had an opportunity to determine who best was qualified and in whom the people of Canada wished to entrust the governance of this nation. I would remind him that they twice chose the government of Brian Mulroney and the Progressive Conservative Party and twice elected the NDP not even as the Official Opposition, but as a rump within this Parliament. They might well remember that.

I am sure my hon. friend has ingratiated himself to his NDP colleagues in the labour movement and in the leadership of the labour movement, and I am sure Mr. Daryl Bean undoubtedly would have really enjoyed my hon. friend's remarks, but I think there is a certain dissidence between what he says and reality and the

facts. The facts are that Public Service 2000, the white paper, was an extremely comprehensive process of consultation. All of the Public Service sector unions were involved very extensively in the 10 task forces and in making presentations to the 10 task forces and were consulted at great length. The presentation of the white paper was delayed, I might remind my hon. friend, in order that extensive consultation could take place with the public sector unions. Changes were made, changes that manifest themselves in this eminently reasonable legislation in order to accommodate what the members of the Public Service themselves felt, through their organizations, should be there. I would remind him of that.

My hon. friend talks about contracting out and cites as the definitive authority on contracting out the very trade unions which have a vested interest against contracting out. I agree with my hon. friend that there should be very careful scrutiny of the effectiveness of contracting out, but it should be done by objective authority. We should not just automatically take the point of view of one side in that issue that has an unequivocally vested interest.

Finally, I would remind my hon. friend that the function of the Public Service of Canada is not to create or provide employment. It is to provide services to the people of Canada that through their elected representatives it was determined should be established.

I would remind my hon. friend that those services should be provided effectively, not only from the point of view of the services themselves, but efficiently in terms of the interests of the public, who after all are also taxpayers. If those services can be more effectively performed on behalf of the public through contracting out, then it should be done on that basis. In the same way, agencies of the government should not exist in perpetuity, and if tasks can be performed in the private sector more efficiently and do not have to be performed to meet public service needs through the government running the operation, then privatization is indeed appropriate.

Mr. Parker: Mr. Speaker, I am pleased that the member has asked me a few questions. The fact of the matter is that the process leading up to the PS 2000 report was one that saw the concerns of the workers, as expressed through PSAC and the Professional Institute of the Public Service, ignored.

Therefore, for you to talk about a matter of trust in 1988, I want to say that the Prime Minister stood up in 1988 and told the Canadian people that our social programs were a matter of trust and he would ensure that they were kept. He even referred to his mother and said: "Even my mother would not support me if I were to deviate from this".

An hon. member: And she doesn't.

Mr. Parker: Now we find out that they are not a sacred trust to this government any more.

I want to say to the member that the Canadian people do not trust this government. Yes, we are talking about service, and in order to have good service you must have public servants and people who know what the programs are, what the government is trying to do, and co-operate with the government in order to carry them out. If you do not have this in this government or other groups, you will never have an efficient work force.

I say again, this piece of legislation is going to do some more harm. It is a matter of trust, and neither the Canadian people nor the workers nor anyone trusts this government at this time.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I would like to ask my colleague from Kootenay East a question.

I know that along with myself he shares a number of federal government services. Being next-door neighbours, as it were, I am also acquainted with the fact that he has held considerable discussions with members of the Public Service Alliance and other employees of the federal government within his own area. Many of them work in national parks, both within his constituency and mine. In fact my colleague is a former mayor of one of the major communities in my own constituency. It is one of those vagaries of redistribution that we sometimes switch communities.

I do know that he has held some consultations, and I wonder, arising from those conversations, just what appreciation he has developed of the degree of consultation that took place with the government over the last two years on PS 2000 and other initiatives related to the bill before us, and what degree of confidence those

employees within his constituency have as to the legitimacy of that whole consultative experience.

Mr. Parker: I would like to thank my colleague from Kootenay West. He is absolutely right. There have been small meetings throughout my riding, and I believe some over into his area, with regard to the PS 2000 and how it is going to affect workers. I was not able to attend some of those meetings, but I have copies of the minutes of the discussions they have had.

Some things that came out of those meetings regard loyalty and public relations. They feel they have been betrayed by this government. They had a loyalty to this government, as to all governments, to perform their duties well.

• (1630)

Other comments they made are similar to what I said with regard to appointing eight new senators to fulfil and to push a bill through the House and through the Senate, at the same time that they were forcing the public servants out on strike, at the same time that they were out on strike allowing the Governor of the Bank of Canada to have his wages increased by almost double.

Those were the kinds of things where they feel betrayed by this government. They recognize that changes must be made with regard to their agreements and how they can be streamlined. They are prepared to put in their input and hopefully have some say along with their managerial people.

I meet with the superintendents in my national park and I talk to them about what is going on. They rely on those workers who are out there doing the everyday work, and they have a fairly good working relationship with those people. When it comes to the top areas and how the programs are initiated, the people feel that they are being ignored. They feel that they have very poor public relations through that system. Even though they belong to trade unions and try to bring about their efforts, they feel frustrated. They feel they have been neglected.

I think they are just patiently waiting for an opportunity to throw this government out of office. I guess that is as much as I can say at this time.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I am pleased after a couple of warm-ups to now have an opportunity to participate in this debate. I think we should remind ourselves that Public Service 2000 was a multi-year program of changes to internal administrative rules and regulations designed to make the Public Service more flexible, streamlined, and better equipped to concentrate its attention on providing services to the Canadian public. That is what the Public Service is all about.

Bill C-26, the Public Service Reform Act, is an essential part of PS 2000. It will streamline outmoded provisions regarding collective bargaining, staffing, human resources management, and the disposal of surplus assets.

Bill C-26 reaffirms the mandate of the Public Service Commission as the agent of Parliament charged with the responsibility for protecting the merit principle. In particular, the commission will maintain its role to assess merit with respect to recruitment to the Public Service and promotions to higher level duties. The commission will be authorized to define by regulation what constitutes promotion.

Back in the early 1900s, when Canada's civil service legislation was first being developed, the basic reason for requiring that appointments be made on the basis of merit was to prevent political patronage. Every government since that date, including this one, has supported the merit principle. As Bill C-26 demonstrates, this government continues to support that principle.

Merit is the recruitment of the best qualified candidate and promotion of the best qualified. This concept remains at the centre of the values of the Public Service Employment Act. To suggest otherwise, as has been done in this debate, is not to read this bill. Section 10 of the present act remains as it is.

Members who have been part of a large organization are only too well aware that organization charts are usually out of date on the day they are distributed. In today's world, jobs change over short periods to meet ever-changing requirements. The speed of technological change is dramatic. For example, the distribution of micro-computers in the Public Service increased from 10,000 in 1987 to 180,000 last year.

Public servants throughout their careers must continuously adapt through training and skills enhancement. In this environment, it would be short-sighted to recruit young people to meet only the requirements of their first

job in the Public Service. New recruits must also demonstrate that they can contribute to the needs of Canada's Public Service as they evolve over time. They must be able to show that they are the best qualified and that they have the potential to respond to new social challenges, to meet the needs for services of an increasingly varied public, and to consult widely with stakeholders in a truly client oriented fashion.

For these reasons the bill adds a new basis for selection according to merit in very specific circumstances.

The commission will be able to prescribe standards not only with respect to a particular position but also with respect to "present and future needs of the Public Service". In the old days it was relatively simple to define a job, to select standards needed to meet the requirements of that job, and to recruit by means of a competition the best person qualified to do the job.

I am pleased to see in this bill, among other things, that for the first time in legislation there will be provision for the establishment of employment equity, although we have had for some time employment equity programs.

I refer to new section 5.1, which says:

> On the request of the Treasury Board, the Commission may provide for the administration and operation of programs for the improvement of employment and career opportunities in the Public Service for disadvantaged persons or groups of persons, including those that are disadvantaged by reason of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

I think it is very important that this provision be included in an explicit manner. There has been suggestion from time to time that employment equity is in fact a disincentive or indeed is an inherent form of discrimination. It is important to note that this is not at all what employment equity is. What this bill really is focusing on is the concept of providing fair criteria for decision making in terms of hiring and promotion. When we talk about people's qualifications for the job, a standard may be set of what is in fact a qualification for a position.

At the same time it is important that employer groups, obviously headed by the government, should have some kind of reflection of the community they are intended to serve. Whether we like to admit it or not, we have had for many centuries systemic discrimination in the way large organisms or institutions like governments function.

If we can look, for example, in a statistical way at the people who are employed in large organisms, be it the Government of Canada or indeed the telephone company, large retail chains, oil companies or anything else, we should see some kind of balance, not only in the proportions of people of different groups that exist within that organism, but indeed they should be represented fairly at the different levels.

Employment equity is a concept that gives promotion advantage or hiring advantage not to people who are not qualified, because it only allows for the promotion of people who are in fact qualified, but gives preference from among qualified candidates to candidates from the under-represented group.

This is something that we as Canadians should applaud and welcome to ensure that the institutions of our society—and none is more basic than the Public Service of Canada—have fair representation of all peoples and all Canadians within our Public Service. The reality is that has not always been the case.

I applaud the explicit reference there. I might mention that there have been for some time *de facto* programs carried out through the Public Service and through Treasury Board. I refer to things like the Access Program, the Visible Minority Employment Program, the Northern Careers Program, the National Indigenous Development Program and OPTION, the non-traditional occupations program for women. Of course these programs have been very successful and have touched directly many hundreds of Canadians involved in the Public Service of Canada. I think it is important that we upfront the commitment of the Government of Canada to this very important priority.

There are many instances when it makes more sense to appoint a person who can demonstrate that he or she meets the standard of competence established by the Public Service Commission. I would like to give members present here today some realistic examples, not to be confused with some of the distorted examples I heard reference to earlier, where this would be a preferable route for us to take.

There are many training and apprenticeship programs taking place in the Public Service. As employees prog-

ress through various stages of their training they become competent to meet the requirements of the next level.

• (1640)

It would seem reasonable to make such appointments not on a competitive basis but on a demonstrated proof that the employee has reached a certain level of competence, for example by successfully passing a test or completing a certain number of hours of on-the-job training. It should be remembered that an assessment of merit was applied when the employee entered the program.

The point made is that when the Public Service of Canada goes out to recruit people to work for the Canadian public, if it wants the best possible candidates it is competing with industry.

When young people are looking for job opportunities, they are going to ask: "What is in it for me in the future?" It is not just a matter of asking: "What job am I going to have today, but where am I going to be five years or ten years from now?" Well, if they go with General Motors or with Eaton's or Imperial Oil, they have some reasonable expectation of how they are going to progress through the system.

At the same time when the employer, be it the Government of Canada or somebody else invests in an employee to see that he or she has the specialized training in order to progress through the system, it only makes sense that there should be a reasonable expectation, both on the part of the employee and on the part of the employer, that that person is in fact going to progress through the system.

Another case where this approach would be justified is where an employee's job has been reclassified to a higher level. If the employee has consistently demonstrated competence in fulfilling the job requirements, then he or she should be appointed without an extensive and costly—and I stress costly—staffing exercise involving a comparison with all potential candidates for the position.

If somebody is doing the job, the job has been reclassified, they are doing the job well and they are doing it effectively, the odds are that they should be allowed to continue in that position. Simply because it is being reclassified, it does not make sense to go to the tremendous expense of disrupting the whole process with a competition in that case.

I believe members will realize that the principle of merit never ruled out other principles of good management theory. The Canadian political system also values qualities such as efficiency, effectiveness, sensitivity and equality of opportunity.

The Public Service 2000 white paper noted that the executive has responsibility for management of resources made available to it by Parliament. For this reason Bill C-26 provides that deployments should be the responsibility of management.

What are deployments? They will be basically the same as a lateral transfer except they will not be an appointment. They will be under the control of the deputy minister who will be guided by policies and guidelines approved by the Treasury Board.

Managers need to be able to ensure that jobs get done when they need to get done. The staffing system should be flexible enough to permit a manager and an employee to agree that the employee should assume the responsibilities of a new position if it is at the same level as the employee's current position.

Deployments will only occur with the consent of the employee in most instances. Where an employee thinks that there has been an abuse of authority with respect to a deployment, he or she will have the right to seek redress including third party investigation.

The concept of deployment does not violate the principle of merit. Deployments will benefit individual public servants, in particular those who wish to expand their career opportunities by taking lateral transfers to jobs which present new challenges and which require the learning of new skills.

There was a suggestion put, I believe by the hon. member for Scarborough—Rouge River, to the effect that this bill did not acknowledge the recommendation of the Standing Committee on Public Accounts with respect to the issue of disclosure. I would say that to legislate along the lines previously suggested by the Standing Committee on Public Accounts might not respond to every situation. Let me illustrate.

There have been calls by the Standing Committee on Public Accounts to make nothing introduceable in an appeal hearing unless previously disclosed. What if information came to an employee that would support his or her case after the disclosure step had been completed and the appeal hearing had started? It could in fact work to the disadvantage of the employee.

I would say as well that it is the practice within the Public Service in handling appeals to make sure that the

appellant is aware of the full circumstances under which the decision was made.

I wish to emphasize that these relatively modest changes to the current law regarding staffing provide for a system of checks and balances. The appeal system remains relatively unchanged.

The powers of the Public Service Commission to ensure the delegated authorities to departments are properly exercised are greatly enhanced.

I commend the bill to all members for its urgent passing in the interest of Canadians, but also in the interest of Canadian public servants.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I listened attentively to the remarks of the member from South Shore.

I want to come back to the debate he and I had a few minutes ago on the merit principle because he alluded to it. I want to make it clear there is a conditional obligation now for the Public Service Commission not only to look but it is an obligation to describe who is the best candidate to do the job. But there will be an assessment made now, and I take it that the member understands that, according to standards to be set by the commission.

In my view, this will bring about a situation where, instead of ranking employees according to the merit of each employee and comparing them to find the most qualified, the principle of hiring the most qualified will now be changed, modified or replaced by the principle of hiring a, I underline a, qualified person, not the most qualified. That is the point I want to make with the member.

The Public Service Commission which has been the watch-dog over the merit principle is going to become the lap-dog, not the watch-dog. That is what bothers me.

I want to ask the hon. member, being a member of the government, does he have any idea of the standards that are going to be set, the rules and regulations that are going to be in place? How is the commission going to reconcile merit on the basis of selecting the best to do the job with the new proposal, not the best among equals, but in someone's opinion one of those who is best qualified?

I do not understand why we want to dilute the Public Service Commission's mandate. I do not understand why at this time the government endorses such a move. I would like to have some explanations from the member as to why he does.

Mr. McCreath: I would certainly like to respond to my hon. friend. I think it is important to recognize that the merit principle, as indicated in section 10 of the act remains in place and is indeed the basis for hiring decisions and promotion decisions within the Public Service.

What subsection 10(2) is designed to do is to deal with fairly specific circumstances. What we are dealing with here are situations where the circumstances effectively dictate the candidate for appointment.

Some examples would be: where no other candidate can possibly meet the requirements of the duties, such as the case with scientific researchers in a specialized field of research who are being promoted in recognition of their record of contribution in the field; or where an appointment is based on the achievements of an individual, as is the case of persons who are in training, development and apprenticeship programs who have successfully completed their training requirements and are ready for promotion, the example I referred to in my general remarks; or where candidates would otherwise be competing for their own positions, as in the case where an employee's position has been reclassified.

In addition, we would foresee using this authority to deal sensitively and compassionately with situations where an employee has been required by circumstances to accept a lower level job and has found an opportunity to be reinstated at the higher level. This may be the case where an employee has had to relocate in order to obtain medical treatment for a family member or to assist an aging parent. In these circumstances we would wish to provide for a manager to appoint the employee when a position at the former level for which the employee is qualified becomes available.

• (1650)

The provisions of subsection 10(2) will give the PSC the flexibility to deal with these circumstances and to adapt to new circumstances as the nature of Public Service employment changes in response to the changing needs of the Canadian people.

Mr. Gauthier: I go on to another point that the hon. member raised in his speech and that is employment equity.

Adding a clause on employment equity programs that are indeed initiated at the whim of Treasury Board and may be, I underline the words may be, implemented by the commission seems to me more of a public relations exercise than anything else, rather than a genuine effort to achieve fair representation for employment equity among the target groups.

An hon. member: It's a diversion tactic.

Mr. Gauthier: Yes, it is a diversion tactic. I ask the member in all honesty: Where does he see the great opening here, the opening of the heart to people to allow for a real good and effective employment equity program? I do not see it in that bill. He has tended to take it as a very forward movement. I would like him to give me more details on that.

Mr. McCreath: I would be pleased to respond to my hon. friend. He refers to it as programs that exist at a whim. I see it rather as a further commitment of the government, a commitment based on the eight years during which these programs have in fact been in place.

I would suggest to him, for example with respect to the access program that it provides on-the-job training for persons with disabilities who require additional work experience to compete equitably for positions in the Public Service. Since 1983, there have been 1,228 participants. Is it a whim to those 1,228 people who have participated in this program, 1,056 of whom completed the program and over 70 per cent of whom are today members of the Public Service?

The visibility minority employment program provides incentives to departments to recruit members of visible minority groups from outside the Public Service. There have been 426 Canadians who have participated in this program since it was established by this government in 1986. Three hundred have completed the program and 285 of them have been appointed to positions in the Public Service, 86 per cent of these at the officer level.

The northern careers program is another example of a substantive program which is responsible for increasing the representation of aboriginal peoples in the federal government in the Yukon and Northwest Territories through on-the-job and formal training. Since it was established in 1983, 372 persons have taken part in this program.

These are just examples. If my hon. friend would like, I could give him more.

I think the point has been made that there is a commitment by the Government of Canada and I might say not just the current Government of Canada, but indeed the previous Government of Canada.

I believe all Canadians have an expectation that the Government of Canada will lead and will meet its commitments in this regard.

I would hope all members of Parliament would applaud and be encouraged by this further step, perhaps a small step, but this further step with the inclusion of section 5(1) into Bill C-26; yet another reason in my judgment why this bill should be expeditiously passed by this House.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am happy to have an opportunity to speak on this bill. We are speaking about probably one of the greatest treasures this country has, namely its public servants, men and women who look after every aspect of serving the people of this nation from coast to coast.

So often I think we take this Public Service for granted. We do not realize that if we are in an urban area we may think of the Public Service as being the employment office or we might think of it as the department of health, or maybe the secretary of state or maybe the passport office. We do not realize that this Public Service is an institution of 250,000 men and women. Many thousands are employed in the Department of National Defence. We are covering every service here. Agriculture Canada has inspection agencies all across the country that make sure the quality of food and the agricultural processes and operations are looked after. We are talking about our first line service to the public in terms of the unemployment offices and customs and excise people. When tourists and business people come to this country, the first people they meet, quite often, are the customs officers at our 30 or 40 airports across the nation. We are talking about the Royal Canadian Mounted Police. We are talking about the embassies all over the world.

We are talking about a bill today that touches the lives of people who have committed themselves more to a vocation than to a job. We are talking about people who

are concerned about their incomes but there is a certain pride in working for the Government of Canada.

I do not think anybody would refute the fact that it would be a great thrill to work for an IBM or a General Motors or a McDonald's or Magna or whatever, but I bet you nine out of ten Canadians, if they had an opportunity to work for the Government of Canada serving the people and the nation, would take that opportunity.

Quite frankly, what I see here from the government side is this lean, mean machine approach to the human side of this government. It seems to me that it has brought many of the principles of business to running the Public Service when in fact those principles do not apply here.

I come from a business background myself. I have worked in small businesses, medium sized businesses and larger businesses. In business there tends to be: "What will our earnings be per share per quarter?" That tends to be our focus. We are concerned about our employee relations but the bottom line of the Public Service is a totally different operation than business. It is the business of serving people. You cannot analyse it in the same way.

I listened to the previous speaker from South Shore. He talked about streamlining as you would talk about constructing machinery on an assembly line in a factory. I really think he is missing a very important point here.

The spirit of the Public Service of Canada is one of the most important things that we must address and, quite frankly, because of the actions of this government over the last few years, the Public Service has become shell-shocked.

My riding does not have very many public servants. Whether I win or lose in the next election has nothing to do with the Public Service of Canada. I might have four or five public servants in my riding. I do know that my constituents care about the quality of service that the public servants in and around my riding give to them right now because of the way this government has shell-shocked the Public Service. This government, in the last few years, has dismantled agency after agency. It has cut man-years out of department after department. In this sort of possessed focus on reducing the deficit and the debt, the government has actually created an inverse problem. I will be very specific. In the city of Toronto they have cut the man-years of the department of immigration to a point where not only have we affected the image and the reputation of that Public Service, which has been one of the most respected Public Services in the world for many years, because of its lack of ability to really deliver the kind of services that should be given to the public, but they have also caused a further cost to the treasury.

• (1700)

Again I said I would be very specific. In Toronto right now we have a backlog of refugees. I believe it is close to 50,000. I might be off by 2,000 or 3,000 but that is not the point. It is such a backlog because of the lack of support in the Public Service. In the last two years it has cost the taxpayers of Canada, just in the city of Toronto alone, close to $3 billion to look after the refugee backlog.

In the name of efficiency and streamlining and cutting the Public Service we have actually added another $3 billion to the deficit and ultimately, the national debt of this country not to mention the wear and the tear on the morale of the public servants.

I could go on and on. I visited many embassies in the last couple of years and have talked to public servants. In some places we have so constricted the actions of public servants that they are even short of photocopiers. In a place like Hong Kong, where there are many entrepreneurial people who want to come to Canada, to invest their money here, invest in factories which will help keep Canadians employed, but because we have constricted the Public Service so much, we cannot even get some of the jobs done we are trying to do.

Therefore, when the Public Service feels this shell-shock after shell-shock, this dismantling of the national government which has been going on for the last six years, a couple of things happen. Aside from the absolute natural breakdown of morale and spirit, we also develop a lack of trust. There is nothing more difficult to repair than a lack of trust.

Even if the national government was to present a proposal of change to the Public Service of Canada, it comes with tremendous suspicion. That is one of the reasons why we on this side of the House are supporting the amendment of my colleague for Ottawa West that Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada, be

not now read a second time but that it be read a second time this day six months hence.

We have a crisis of confidence in this country in every sector, in every region. There is no greater opportunity in the approach and in the challenge of rebuilding the national unity of this country than with a motivated, inspired, committed public service in every department of this government.

Let us just refer to the province of Quebec. Right now we are going through tremendous difficulty in terms of confidence and in terms of the relationship Quebec has with the rest of Canada. We have close to 125,000 public servants on the payroll of the Government of Canada to serve the people in the province of Quebec. What kind of a message are they motivated to send out, day in and day out, when they touch literally millions of Quebecers, when they see the nation's boardroom treating them in such a way that their morale is low, when they feel they are not being treated fairly?

I feel this is an asset that the minister responsible for national unity could not lean on because the morale is so low. If I were the minister responsible for national unity, I would certainly like to be able to count on the 125,000 men and women in the province of Quebec to go out and explain to their communities and all over the province the goods, services and programs that the Government of Canada is providing to the citizens of Quebec.

If that force is being crushed, is not being respected and is not being treated fairly well, it is no different than any other business or environment. It is not that we will not get work, but the quality of that work will not be as good as a force that is motivated.

I really feel strongly about this bill, not just in terms of the general service to the public but also in terms of the federal presence. Quite often, in disadvantaged and remote regions of this country, it is the public servant who really represents the hope, the anchor and the feeling of security of so many Canadians.

Two weeks ago I was in the Middle East on a mission to sell Canadian food. As a member of Parliament, I was so proud to come into the Canadian embassy in Amman, Jordan to see the flag flying and meet the public servants. There was a young student who was travelling. We were chatting about it and he felt the same way. The response of the public servants was fantastic. That security for the government and the people of Canada is in the ambassadorship of all of our public servants, that feeling we get when we travel abroad and see an embassy. We should try to create that same feeling with our constituents and with the people of Canada when they come into contact with public servants all across our country.

When I first came to this city in 1978, the first person I met was a public servant, Craig Carpenter. It was his pride and his commitment to his vocation which inspired me to continue my work in this city. Quite frankly, when you multiply a force like a Craig Carpenter who was happy to speak for Canada, who was proud of working for the Government of Canada, when you multiply by 500,000 men and women across this country and in all areas of the world, I just do not think that we fully appreciate the positive force that can have on the morale of this country, whether it is the economy or the image of this country, whether it is to attract investment or to attract the minds and brains of professional people to come to this country because it is a great place to be.

I know the deficit is important. The debt of this country is important. We must be responsible and do what we can to address it. But there is nothing more important than the spirit of the 500,000 men and women who work for this place. They can eliminate waste on their own if they are inspired. They can create efficiency if they are inspired. They can create an attitude of confidence within the people of Canada if they are motivated. The government is so possessed by the deficit that it has this lean, mean machine approach.

• (1710)

When you are serving the public, it is not an earning per share or per quarter approach, and I know that all members of Parliament know that. We go home on weekends and we listen to our constituents. Quite often, even though very few people have respect for members of Parliament today, we know that we work hours and hours that people never see.

I want to say that most of the 500,000 public servants are the same way. They are counting on us to make sure that we treat them the way we would like to be treated.

Quite frankly I think that they are too easily used as a scapegoat, as a battering ram.

I know that there are public servants who like to use the MAD treatment, maximum administrative delay, people who would prefer to push paper and slow down the system rather than have the joy of moving it quickly. We all have examples.

I have cited a couple of examples in this House in which bureaucrats have used the system for whatever reasons they have wanted. Quite frankly there have been times when I judged them not to be the best motivated. Because of the few who have not committed themselves to this life as a vocation, we should not judge the majority.

Seventy or eighty per cent of the public servants of the Government of Canada put out. They work hard and I know members on that side of the House know it. We should not get brainwashed by the complaints that we get from the people or the clientele we have about the few who can sometimes drive us absolutely crazy.

I think that sometimes happens. We all get complaints about public servants who lost a veteran's cheque, messed up a postal service, or there was a contract in a particular department that should have been processed three months ago or a cheque to farmers that should have gone out. We all know that, but we should not condemn the whole system because of those bureaucrats who are possessed by the MAD treatment.

I say to public servants, if any are listening to this debate, that there is one thing as a member of Parliament I have learned in the last three years. There is one thing that frustrates me about the Public Service of Canada. Even though I am defending it here today, I will also debate with the Public Service. If there is one thing that the system can improve on, it is the movement and the processing of paper.

Quite often they are possessed by the MAD treatment, and not possessed by pushing paper through that they could have done today. Quite often they push it off to next week.

To the government, let us cut back on the lean, mean, machine approach and let us see if there is some way we can mobilize the federal presence and the will of the 500,000 people of this country to work for us rather than against us.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to tell my colleague from Broadview—Greenwood that I greatly appreciated his statement in support of federal public servants. It comes from a former businessman who is very knowledgeable about the business world, so I appreciate it tremendously and I thank him.

I would like to ask a question about his statement dealing with morale. I know that he commented on his experience in the private sector and how essential it is to have dedicated people who want to work together. Since 1985, as he knows, federal public servants have been sacrificed on the altar of the budget deficit. The 1985 Wilson budget reduced the number of jobs in the Public Service by 15,000. The Public Service faces budget constraints that you are all aware of, as well as a capping of salary increases. Last year's strike, which literally pitted civil servants against each other, was, in my opinion, unnecessary. In other words, civil servants must now live with a budget freeze that deprives them of funds for training, for the replacement of equipment which is often obsolete, and I agree with them on that, when the workload is increasing, since hiring is frozen. This does not make much sense. As you will recall, Mr. Speaker, the Minister of Finance even dared to brag last year that the size of the Public Service of Canada was the same as in 1973. Mr. Speaker, this is nothing to be proud of, when we know that the population of the country has increased by 20 per cent. It seems to me that the more Canadians there are, the more we should be able to provide adequate services for them. That is a fairly obvious statement.

Mr. Speaker, add to those restrictions the problems caused by the government's bad policies and you will see why morale in the Public Service is zero or below zero. Right now, the morale of public servants is the lowest I have ever seen, and it is a very bad time to undertake a complete reform of the Public Service. This does not seem to me to be a very wise move.

The hon. member mentioned certain contracting-out programs that will, we hear, be increased in the weeks and months to come. This means that we will transfer to managers additional responsibilities to dismiss, suspend and, occasionally, hire people. My question has to do with the accountability mechanisms that are in place. I

know that the hon. member worked in the private sector and I ask him: Without a known accountability mechanism, how can we improve the morale of civil servants and ensure that people know who manages what and how? What kind of fairness and justice can we expect in the public system from systems used in the private sector? What can the hon. member tell civil servants about this accountability?

[*English*]

Mr. Mills: Mr. Speaker, I would like to thank my colleague from Ottawa—Vanier for the question.

First of all on the question of contracting out, there is absolutely no question about the fact that some contracting out is good. The way this government has handled contracting out is sort of a preoccupation. An analysis was done about six months ago and a lot of the contracting out that the government has done has ended up costing the taxpayer almost twice as much as if the government had kept it inside. This is what is going on. In the name of contracting out and in the name of creating efficiency, the exact opposite is happening. That is just fact, and the Department of Supply and Services will verify that.

I do not know who the winners are in this contracting out. It is a terrible thing if you are a public servant and you talk about merit in this bill. If you talk about merit and with the way this government is contracting out, it is contradictory. It is absolutely contradictory. I could be sitting in my department, working along, thinking that I have been doing a good job, and I could be seeing an opportunity to advance in the next six months or eight years. I am working hard and trying to achieve, and then all of a sudden the deputy comes along and contracts out the job that I was working on. What really burns you is when you find out about a year later when the bills come in that the cost of contracting out costs the taxpayer twice as much. That does happen.

• (1720)

I am sure there are some examples in which it is almost the same dollar cost, but you cannot forget the cost of the tear on morale. When you multiply that principle of contracting out in every office, in every system from coast to coast to coast, I think there is a very bad mistake being made here.

I think in the name of efficiency there are a lot of things going on that are not actually turning out the way they are being stated.

[*Translation*]

Mr. André Harvey (Chicoutimi): Mr. Speaker, I heard our colleagues in the Official Opposition especially the hon. member for Ottawa—Vanier talk about morale in the Public Service. At times his speech was so exaggerated and far-fetched that we had the impression our Public Service was as demoralized as the Soviet public service. I do not think that is the case, however.

If anyone has a morale problem, it should probably be the Liberals, not Public Service employees, would not you agree? A government is a little like a family. When management is strict and the budget is sensibly administered all members of the family are probably happier.

Of course, the Official Opposition would prefer the government to administer the status quo. Mr. Speaker, this is not a status quo government, and we have proved as much in many areas. If we had administered the status quo as the Liberals wanted us to do, the budget would now be $300 billion instead of $155 billion. The deficit would be over $100 billion, instead of having shrunk to $30 billion. I think that is something we should not forget.

In any case, I welcome the opportunity today to say a few words about Bill C-26, which is part of the reform process initiated by Public Service 2000. I think this reform bill will, over a period of several years, have an impact on all internal management rules and thus make the Public Service more flexible, more effective and more service oriented.

The Public Service Reform Act, a vital component of Public Service 2000, will restructure a number of outdated regulations concerning collective bargaining, staffing, human resources management and elimination of surplus goods. There are also some important points in this legislation, including the delegation of authority. The government wants to give more responsibility to people at the base, to all regional managers, who represent a very high percentage of all public servants,

Mr. Speaker. As a result of this decentralization, the number of Treasury Board submissions will be reduced by 40 per cent. I think that is quite substantial.

By giving more responsibilities to our regional managers, I think that across the country there will be more opportunities to take advantage of federal involvement. The reduction in the number of management levels is another important aspect. Ten per cent of management category positions will be eliminated. There is also the issue of transfers which will help all public servants acquire more experience in a variety of sectors. We must not forget that once people have had an opportunity to acquire more experience at the same level, they will be in a better position to obtain advancement within the Public Service.

Of course, a reduction in the number of professional groups, which now total 71, will be a significant improvement.

There is also the whole aspect of surplus Crown property. It is so complicated that every department has trouble disposing of its own surplus property. I think that legislation to rationalize this area will enable those officials, deputy ministers and ministers to feel more responsible.

Regionalization is extremely important. Our government has put more emphasis on regional development because we put even more trust in our officials who work in the regions. Most departments, especially Supply and Services Canada, CIDA and the Department of Industry, Science and Technology, are definitely moving towards regionalization. So I think that it is an important step toward the future and towards better service for all our fellow citizens.

For all these reasons, everything our government has done in the past seven years, whether in the economic, social or some other field, has helped us to be the country rated most highly by international organizations. I am thinking of the OECD and the International Monetary Fund, among others. It is not so well known, but I think that our fellow Canadians will gradually realize that what the government has done in each department, especially in terms of the budget, has given us a top national and international rating.

If you allow me, Mr. Speaker, I would like to deal with employment equity at greater length today. For seven years, our government—this year, for example, we will invest $1.8 billion in worker training programs, while respecting the employment equity principle. I think it is good that what our government is doing for all Canadians it is also doing for our Public Service as a whole.

The bill expressly gives the Public Service Commission and Treasury Board authority to carry out programs to improve employment and career opportunities for disadvantaged persons. That is a very good thing, Mr. Speaker, because I think that the Public Service will then better reflect the make-up of Canadian society. In protecting the merit principle as Parliament has instructed it to do, the Public Service Commission will ensure that recruitment outside the Public Service and promotions within it help deputy ministers achieve employment equity in their respective departments.

Treasury Board and the Public Service Commission work closely together to establish special programs to make it easier for members of target groups who do not have equal opportunity to apply for satisfying positions in the Public Service to find employment and be promoted. I am talking about positions that women did not usually occupy before but in which they want to have a real chance to show that they are up to the challenge.

The Public Service Reform Act will enable the Public Service Commission and the departments to ensure that members of the target groups for employment equity can participate in competitions if they meet the established criteria. In its white paper on reform, Public Service 2000 believes that it is necessary to reduce the number of occupational groups in order to simplify the staffing process and to provide better career opportunities.

The new position classification system that has been developed will eliminate all systemic obstacles that prevent members of target groups for employment equity from obtaining a position or a transfer in the Public Service. We will thus have a neutral classification system that takes no account of race, national or ethnic origin, religion, sex, age or mental or physical disability.

Members will no doubt want to know how the new classification system will favour employment equity. According to my information, it will make it possible to eliminate education criteria that are applied systemati-

cally and to adapt them to position requirements as established by the Public Service Commission. I understand that this change will mainly affect native people and recent immigrants who are a visible minority and did not attend high school in Canada. It will bring support staff and officers together in one and the same group, general services. This will make it easier for support staff to move up. This group is now called the administrative support category, and women represent 80 per cent of its members.

• (1730)

The elimination of such structural barriers will greatly contribute to do away with the "pink collar" ghetto of women civil servants. Bill C-26 gives legal basis to a deployment system with which managers are to meet more readily the career needs of every employee, in particular those in the employment equity target group.

It will be possible to make deployments between same level positions to allow employees to gain experience and be better qualified for another position or for promotion to the next level. I believe that doing the same job for 35 or 40 years is not the best way to get promoted and to respond successfully to job offers. That is what this part of the bill does.

Deployments will also enable managers to assign civil servants in such a way as to meet the operational needs of government. It must be emphasized that most deployments will require the consent of the employee. This would allow managers to transfer employees who are no longer able to perform jobs they are better suited for.

Certainly, members of this House will agree with me that all these changes are necessary so that the Public Service of Canada can reflect the diversity of the people it serves. I am also convinced that they will agree that the public service legislation should reflect the very best values currently recognized as such in our society. This does not mean everyone should be treated in the same way, but that equal opportunities be offered to everyone by accommodating differences.

This bill shows how much this government is in favour of change. Status quo does not allow us to meet the many national and international challenges facing us, and I am proud of my involvement in this bill.

[*English*]

Mr. Dennis Mills (Broadview–Greenwood): Mr. Speaker, I would like to just make a couple of points to the member.

First of all, the member should not think that in any way, shape or form the spirit of the Liberal Party is low over bad. We are in pretty good shape over here right now.

I listened intently to the member speak. A lot of the things he said I agreed with. When he talked about employment equity, opportunities for minorities and new systems, I did not have any problem with what he said, but how does that square with the actions of the government with all of this contracting out? What good is it if I am a minority? What good is it if you say you are concerned about employment equity and I am working in a particular division within a department of government and then all of a sudden the deputy comes along and says: "Listen, I am going to contract this whole department out"? The government's words are inconsistent with its track record and its actions and that is what is driving the Public Service of Canada crazy. That is why there is no trust or very little trust. You say you talk to people and you do not get the sense that the morale is low. You could not have missed the demonstrations that we had across the country a few months ago.

My specific question, Mr. Speaker, for the member is does he not think that contracting out to the degree the government has—and again I am not against all contracting out, but it seems that this government is possessed by contracting out—is a deliberate dismantling of the Public Service of Canada? It is consistent with the dismantling of many other national institutions that we have had in Canada, all in the name of debt and deficit. Quite frankly, some of this dismantling has cost us more money than it has saved us. Again, does he not think it is a bit contradictory?

[*Translation*]

Mr. Harvey (Chicoutimi): Mr. Speaker, I thank my colleague for his question. There are reasons that our government has been able to maintain employment in the Public Service at the same level as in 1973, and we do not hide what we are doing. It is obvious that our government believes that the private sector can some-

times provide services more rapidly, as well as more efficiently, in certain sectors.

Our privatization exercise has been successful, as he well knows, from a strictly economic point of view. He is also aware that our civil servants enjoy employment security and he is trying to tell us that the morale in the whole federal Public Service is at its lowest level. I will tell him that is not so.

The private sector throughout the world is going through an extremely difficult period. By comparison, I believe that to be a member of a Public Service such as ours is a rather extraordinary privilege. It is an extraordinary privilege and the mere fact that we have job security and substantial fringe benefits must, I believe, make us appreciate what we have as members of the government as well as members of the federal Public Service.

[*English*]

Mr. John Manley (Ottawa South): Mr. Speaker, I am very concerned that a member of the government party would have this view of the morale of the Public Service and the rights of tenure that they have because this point of view gets promulgated out into the public at large in the country. It is false on two points.

On the issue of morale, the government's own documents on the task force report on service to the public identify low morale in the Public Service as a problem. It is clear by the surveys, particularly at management level, morale of Public Service workers is lower than equivalent people in the private sector. Morale is a problem. He did not even need to go out on the lawn of Parliament Hill last fall to meet the thousands and thousands of demonstrators. All he had to do was read the government's own documents.

The notion that Public Service workers somehow have a contract for life is long gone. I can introduce him to constituents. One comes to mind very recently, over 50 years old, over 20 years in the Public Service, laid off. Where is he supposed to find a job at this stage? The member who just spoke has just told Canadians across the country that kind of thing does not happen in the federal Public Service in Canada. I can tell him that it is happening in this city every day of the week.

[*Translation*]

Mr. Harvey (Chicoutimi): Mr. Speaker, my hon. colleague is trying in vain to impress me because the reputation of all the public services throughout the country and in particular the federal Public Service is well established. If our fellow citizens have a negative opinion of the Public Service, it is because the former Liberal government imposed on it absolutely ridiculous decisions that almost bankrupted us.

Do not forget that in 1984 the deficit was $40 billion—$23 billion interest on the debt and a $17-billion program-spending deficit which, after seven years, we have transformed into a $12-billion surplus that we just applied to interest payments this year. We reduced the deficit by 25 per cent and we expect to have a balanced budget in four or five years.

The whole federal Public Service will be proud of such a record in four or five years. Do not forget that the reputation of civil servants is due to the bad administration of the former Liberal government. To the extent that we reach our objectives, those people will be proud to work with the federal government.

[*English*]

Mr. Mills: Mr. Speaker, I am going to try to make a very simple point here to the hon. member. If you were at the Ottawa airport on a Friday afternoon, or any day for that matter, and there was only one security check because the government had said: "We are only going to allow one security check at the airport", all of a sudden the line-ups would become so large that you would end up missing your plane. The whole system would shut down. Do you think that is efficient? Do you not think that would cost the taxpayer money?

The same thing is happening in the Department of Immigration. Because of the cuts to the number of public servants in the Department of Immigration, we have a backlog of 55,000 refugees in the city of Toronto.

• (1740)

In the last two years in housing, social service payments and dental bills it has cost the Canadian taxpayer $3 billion, not to mention the morale of those poor people who are working 15 hours a day sometimes six days a week. What is a better system, hiring a few more

public servants and processing them or tacking another $3 billion to the deficit?

Frankly I think this government is doing a lousy job of handling the deficit. We should actually do a study on all that as it has ended up costing the taxpayer more because of the cutting and the constriction.

[*Translation*]

Mr. Harvey (Chicoutimi): Mr. Speaker, the Liberals always react like spoiled children; they do not appreciate what they have and they think that the government can afford anything. A government cannot spend money it does not have. Don't forget that they increased spending by 15 per cent per year in the last 10 years of their mandate, and that the budget would be $300 billion this year, instead of $155 billion, if we had had the same increases. What he is saying is ridiculous. Restrictions exist in the private sector and must also exist in the public sector. That is why our government's performance for the last seven years is recognized by all international organizations.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I rise today to talk to Bill C–26. I wish first to make a few comments on the speech of the previous speaker, the hon. member for Chicoutimi.

We must all bear some responsibility for the problems around us. Very often, I resent the grandiose statements made in this place, especially when they come from Conservatives members opposite, who tend to forget that they have been in power for seven years now. I think it is high time that they stop hiding behind what was done by the Liberals up to 1984. It is clear that there are things we could have done better, but it is also clear that since 1984, there is a number of things that they could have done with a little more compassion, a little more caring for the Canadian people.

[*English*]

I always want to respond when I sit in this House and I hear things. The last speaker spoke in terms of this not being a government of the *status quo*. Believe me, truer words were never spoken.

I can recall hearing the Prime Minister, shortly after he was elected, saying: "Just stick around and within 20 years you will not recognize this country". He was right. It did not take that long. It has only been seven years and we are having a heck of a time recognizing it.

Someone else made a reference that public servants do not feel as bad about their jobs as the public servants in Russia feel about their jobs. My goodness, where are they? Who have they been talking to? What is this kind of nonsense we are hearing, this constant, constant nonsense?

Please open your ears. Talk to people out there.

Today I talked to a public servant and I asked him how he felt about this Public Service 2000. He was just an ordinary guy, just one of the little guys who works in one of the departments. He is not a manager, not a deputy minister, nothing like that. He is just an ordinary little guy working in one little department somewhere.

He said: "What frightens us the most is this feeling that there are going to be no consequences. Who is going to bear the consequences? The way they are talking about it, the manager will have all the power. What happens to us little guys? Who thinks about us?" They are also asking: "Are we going to bear the consequences if the manager of the department is not doing his job properly? Is it going to be the little guy who is going to lose his job? Is the manager going to get a bonus for getting rid of the little guy?"

This is what they are saying. They are worried about it, how this all works.

I cannot help but support what the people on my side of the House want to do, which is delay and prevent this bill from moving forward at this time. The morale within the civil service is terrible. It is absolutely terrible. The way of helping build morale is not by imposing things on them. No one ever got anywhere by dictatorial methods. We need a little bit more consideration, a little bit more co–operation.

In January I visited a business here in Canada that had come up with some very innovative ways of dealing with its unionized personnel. This business looked at the bottom line and realized that the confrontational approach was no longer working. It was spending thousands of dollars on cases of arbitration, grievances, and people were very unhappy. It was having problems with environmental things. When people are not happy, they do not

work properly and they are not always as careful as they should be.

It really surprised me the kind of thing that the business came up with. In effect, it was a system of team work in which really there are no longer any managers. Managers are facilitators. The team itself takes responsibility for the output.

I would very much like to see us take that kind of approach perhaps with the Public Service. I know it is difficult because there is no bottom line. We cannot look at profits and say: "This department is not profitable". Let us look at what we are supposed to be doing. Let us have goals. Let us have goals in terms of how much service we can deliver for a certain amount of money and get everyone together, including that little guy at the bottom of the heap so that he can make those kinds of decisions.

You would be surprised sometimes when you speak to them about the ideas they have and the things they see and the things they could change if they were given the opportunity. The same company I visited implemented this kind of a system approximately two or three years ago. Today it has very few grievances and is really working well.

I spoke with some of the employees. Even the employees who at first were very apprehensive feel a lot better about their job. They feel as if they are actually contributing to what is happening. They have been empowered. Everyone hears the word empowerment, but that is the only way that we will get the Public Service to react, to do what it has to do, to do it well, and to enjoy doing it.

We cannot impose things. It is just impossible to get things done that way. One of the goals of the Public Service is to provide services for Canadians. That should be considered in light of the fiscal restraints. I am certainly very conscious of the fact that we have to be very careful with dollars.

I will give an example of some of the new technologies, the new in things. I do not know if some of you have had the opportunities that I have had. When I work in my constituency office I often do all of my own calling. I decide I am going to call this government department or this other government department. The new in thing now is this voice box recording answering machine. It is a voice box answering machine. I do not know how many of you do your own calling but I do.

I will tell you what happens. You call a government department. It may be good for the people there. I do not know how they feel about it, but I can tell you as a Canadian trying to get service that you can press buttons *ad nauseam*. You get this beautiful modulated voice on the computer which answers and says: If you wish to speak to so-and-so or you want this kind of information, please press zero. After you have listened to maybe two minutes of this voice box machine, you press zero. You wait and then you get another beautiful voice and another beautiful message: If you wish to speak to Mrs. So-and-So concerning this and this, press this number, but if it is for so-and-so then press this other number on your telephone. Again you press a number on your telephone. That is said in both official languages so it goes on and on and on. You press another number and the same thing happens. It is the most frustrating thing for a Canadian to have to call a government department these days. I am not at all sure it is a good thing to have in place. On the other hand it may save all kinds of money.

• (1750)

However, in one of the government departments the staff was not told that these machines were coming in. It was not even taught how to use them and the machines were in place. Since then, in that particular department the staff has learned how to use the machines. This is the kind of thing that I am talking about. Was this something that the staff was aware of? Did it ask for it? Did someone explain in advance how it would be used and how it would be more effective? In that particular department, no. I did speak to some of the employees later on and they did tell me that they were sorry, but they did not know how to work that machine yet so they could not access the messages in the voice box.

I know government is a big machine and I know there are a lot of layers, but can we not simplify things and just sit down and talk to each other? I think that is really what is necessary.

We talk about the revitalization of the public sector and we talk about contracting out. Contracting out can be a good idea. It can save money, and there are times when it actually does. I know this for a fact, but there are

also times when it is a good way of giving your friend a job. You do not have to worry too much about explaining it. You can then turn around and say: "Look at that, my employee numbers are way down". A contract is not an employee. It is just an amount of money and you can hide all kinds of things in there that may or may not be good for us or for the economy. I think some of the previous speakers have said it. They hear that there are massive amounts of dollars that are spent that way and not necessarily in the most economical fashion.

We have to relook at everything. We especially have to talk to people. We have to talk to the people concerned. We cannot just impose these things. You say a manager will have more autonomy. He will have more ways of managing his department, but what is to say that this manager will be the perfect manager and will treat people equitably? What is to say that he will not start rewarding some of his friends and not necessarily the good work? What is to say that equity will always be achieved?

I can recall working and being on city council. I remember how the upper echelons of management worked. I will explain this because it is something that men in general do not realize. I sat down one day and they were talking about staff. We were doing some interviewing for a top level position and in the middle of the interviews we went out for lunch. When we went out for lunch, they talked about how they were going to groom so-and-so, a male, to move into this position, and they went on. I let them go on for about 20 minutes. Not once in that whole time did anyone talk about any of the female employees, about grooming them for jobs. When I mentioned it to them, they said: "Oh, well, do you think maybe they would want to be groomed to be moved up to the echelons?" I said: "Of course they would". It is so much easier to deal with your men friends and to consider them, and so I worry.

Some of the better trained, the more forward thinking people, are going to do a great job and they will consider all these things, but many will not. You can legislate equity all you want, but when all the power is in the hands of a person, a manager, there will be abuses of power. How can we guarantee that these abuses of power will not happen? How can we reassure the people who are employed within the public sector unions and the public sector that they will be protected in some way?

How can we reassure them? Certainly not by imposing a piece of legislation they have not been consulted on. Why do you not withdraw this piece of legislation? Why do you not try to build some consensus among those people? Make them feel better. Make them feel as if you care, as if you know what you are talking about in terms of what is going on in their daily lives. Until you do that, your program will not succeed. It just will not succeed. I would hope that you would seriously consider doing some of these consultations with the employees, with the unions, and not just with the higher people there. Do them with the ordinary every day guy.

It is so difficult to explain unless you speak to those people. As I said, I spoke to one just today. There are so many parts of this whole thing that frighten me.

We Liberals are committed to fair treatment of Public Service employees and of everyone. It is not that we do not want to see a better control of spending. Obviously we absolutely have to watch the way our money goes. But we all have to work at it together. We need co-operation.

One of the previous speakers talked about being in a household and someone sets the budget. Things work along a lot better, lickety-split, if somebody sets a budget. Yes, but does that person set a budget all by himself or all by herself? Does it not work better if he sits down with the others involved and says this is how much money we have, or this is how much money we do not have, and what can we do within the confines of this money?

Do you not think it works far better when you do that? Then everyone concerned is consulted. They are very much aware of the limitations that are within that budget, so everyone works together. Tomorrow, if one of the people in the family wants something and realizes they cannot have it, they are not unhappy. They think: well, this is my share; I know how much money there is, and it is just not there.

Let us try a new consensus building approach, rather than my way or the highway, which has been the case of what has happened with the government over the last little while.

I want to end, because I see the clock is moving on. I want to say that we are not going to support Bill C-26 as Liberals at second reading, and that we urge the government to establish a special committee of Parliament to

consider the principle of the bill as well as its substance in the total context of the Public Service 2000, as recommended by the public accounts committee.

We urge our members to support some of the clauses of the bill that would contribute to strengthening the Public Service and its ability to serve the public and improve labour relations. We oppose this bill, as it undermines the merit principle without adequate safeguards, destabilizes the Public Service, discourages the hiring and retention of highly qualified individuals, and reduces accountability.

We would like to see this bill, if it does move forward, substantially amended.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I would like to ask the member a question. First of all I would like to congratulate her for the excellent speech she gave us this afternoon.

She was saying earlier today that when we phone some government departments, we get an answering machine rather than an employee. I would like to tell her that it is worse than that. If you call the immigration office here in Ottawa, nobody answers the phone. You can let it ring for half an hour. People there will tell you that they do not answer the phone because they just do not have time. This is the level of service you get from the immigration office here in Ottawa. This is intolerable, but it is thanks to the people opposite.

Here is my question. It has to do with advancement within the Public Service. If I understand the bill correctly, Mr. Speaker, from now on, should it unfortunately come to pass, all the government needs to do—

* * *

• (1800)

[*Translation*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed from Thursday, February 6, consideration of motion of Mr. Mazankowski that Bill C-32, an act to amend the Canada Assistance Plan, be read the third time and passed.

Government Orders

The Acting Speaker (Mr. DeBlois): Under Standing Order 45(6), the House will now proceed to the taking of the deferred division on the third reading of Bill C-32, an act to amend the Canada Assistance Plan.

Call in the members.

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

(*Division No. 103*)

YEAS

Members

Anderson
Atkinson
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Brightwell
Chadwick
Charest
Clark (Yellowhead)
Cole
Cooper
Corbett
Couture
Danis
Della Noce
Dick
Domm
Edwards
Fee
Fontaine
Friesen
Greene
Guilbault
Halliday
Hawkes
Hogue
Horner
Hughes
James
Joncas
Kempling
Landry
Larrivée
Littlechild
Lopez
MacKay
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
Monteith
Nicholson
Paproski
Porter
Redway
Ricard
Robitaille
Saint-Julien
Scott (Victoria—Haliburton)
Sobeski
Sparrow
Tétreault
Thorkelson
Turner (Halton—Peel)
Van De Walle
Vézina
Vincent
Assiniboia)
Worthy—120

Andre
Beatty
Bernier
Bjornson
Blais
Bosley
Bourgault
Campbell (Vancouver Centre)
Champagne (Champlain)
Chartrand
Clark (Brandon—Souris)
Collins
Corbeil
Côté
Crosbie (St. John's West)
de Cotret
Desjardins
Dobbie
Dorin
Epp
Feltham
Fretz
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Harvey (Chicoutimi)
Hockin
Holtmann
Hudon
Jacques
Johnson
Jourdenais
Koury
Langlois
Layton
Loiselle
MacDougall (Timiskaming)
Marin
Masse
Mazankowski
McDermid
McKnight
Moore
O'Kurley
Plourde
Pronovost
Reid
Richardson
Roy-Arcelin
Schneider
Scott (Hamilton—Wentworth)
Soetens
Stevenson
Thacker
Tremblay (Québec-Est)
Valcourt
Vankoughnet
Vien
Wilson (Swift Current—Maple Creek—
Winegard

NAYS

Members

Allmand	Althouse
Anawak	Angus
Assad	Bellemare
Benjamin	Berger
Bevilacqua	Black
Blackburn (Brant)	Blaikie
Boudria	Breaugh
Butland	Caccia
Callbeck	Campbell (South West Nova)
Catterall	Clancy
Comuzzi	Crawford
de Jong	Dingwall
Duhamel	Ferguson
Finestone	Flis
Fontana	Foster
Fulton	Funk
Gaffney	Gagliano
Gauthier	Gray (Windsor West)
Guarnieri	Harb
Harvard	Harvey (Edmonton East)
Hopkins	Hovdebo
Hunter	Jordan
Kaplan	Keyes
Kilger (Stormont—Dundas)	Kristiansen
Langdon (Essex—Windsor)	Lapierre
LeBlanc (Cape Breton Highlands—Canso)	Leblanc (Longueuil)
Lee	MacAulay
Maheu	Manley
Marleau	McGuire
Mifflin	Milliken
Mitchell	Murphy
Nault	Nunziata
Nystrom	Pagtakhan
Parker	Phinney
Robinson	Samson
Skelly (Comox—Alberni)	Speller
Stewart	Taylor
Vanclief	Venne
Waddell	Walker
Whittaker	Wood
Young (Acadie—Bathurst)	Young (Beaches—Woodbine)—82

PAIRED MEMBERS

Nowlan	Shields

Madam Deputy Speaker: I declare the motion carried.

Bill read the third time and passed.

SPECIAL DEBATE

• (1830)

[*Translation*]

Madam Deputy Speaker: Pursuant to order adopted on Wednesday, February 5, 1992, the House will continue its proceedings for the sole purpose of allowing members to make presentations on the results of discussions they have had with their constituents on the constitutional issue.

For the purpose of the special debate, the question before the House shall be:

That this House do now adjourn.

[*English*]

Mr. René Soetens (Ontario): Madam Speaker, I appreciate the opportunity the House has presented to all members of Parliament to discuss what I think is probably the most important issue that we will deal with in this term of Parliament. Obviously the future of our country is very important, not only to the 295 members of the House, but to all 26.5 million Canadians. I appreciate that the House has collectively decided that each member of Parliament should be allotted some time in this Chamber to present the views that he or she has been able to put together from constituents in their individual riding. It does show that in this House members of the opposition, the opposition House leader and the government House leader can come together to come up with a system or a process whereby we can all participate.

What I would like to do this evening in the time that is allotted as the lead-off speaker in this particular session is to present the views of the Ontario riding as they relate to the 28 constitutional proposals that the government has circulated.

At the end of my presentation I would like to table in the House this document that was put together by the constituents of Ontario riding. Earlier today this document was presented to the Minister Responsible for Constitutional Affairs. It was also presented to the joint committee dealing with the constitutional proposals. It was also shared with many Canadians today who travelled to Ottawa to meet with the minister and the parliamentary committee.

As well, I would like to table a questionnaire that was sent out on behalf of the committee to all 57,000 households in my riding. They invited all 57,000 households to present their views on the constitutional proposals that are presently under way.

Last August, at the outset of this process, I invited eight Canadians of several political persuasions who are residents of Ontario riding to come together and spearhead a very public process and to present their views on the Constitution.

These eight Canadians, augmented by five more who volunteered to join the committee, and I would say that all people who volunteered to be on the committee in fact were on it, these 13 people worked to put together the views of Ontario riding. How did they do that?

The first process they participated in, as the group of 13, was organizing five public meetings in the riding. One was strictly devoted to high school students and four others were devoted to the community at large.

It happens that Ontario riding has four unique areas, three towns, Whitby, Ajax and Pickering, and of course the community of Claremont. There were four public meetings, one in each town. I can tell you that in each of those towns there was extensive advertising inviting Canadians from Ontario riding to come together to present their views.

There were these public meetings that were held. The public meetings brought a real variety of interest. I would say certainly the first observation that the committee reports on, one that I certainly noticed myself, that regardless of the views that existed on any one of the 28 proposals, there was very clearly an interest by all of those who participated that we must find a solution to this constitutional impasse.

Not only must we find a solution to this impasse, but we must get on with the other issues that face this country. They recognize that some of those issues could not be addressed until such time as the constitutional process was completed. There was really a very unanimous feeling that the only way we could successfully draw any conclusions out of the constitutional process was to end up with a united Canada, a Canada that stretches from the Pacific Ocean to the Atlantic Ocean with no great gaping holes in the middle.

There were really very clear views on that, but I would say that that is probably where the views started to separate. We had a very interesting process at the students' forum that was held at Trafalgar Castle School in Whitby where there were some 90 or so students. They showed very clearly their strong desire, not only to keep Canada together, but to recognize some of those things in this country that are different.

A major topic of discussion was the issue of "distinct society". I can tell you that the students really had no problem with the concept as expressed, that Quebec does have a very different language in the majority than do other parts of Canada. It does have a very unique culture and a civil law tradition. The students of Trafalgar Castle School and the other schools that participated certainly support that concept.

Throughout the entire process, the other four public meetings, I can tell you there were many comments raised about the distinct society. One of the most common concerns—it is a recommendation of the Ontario riding committee—is that somehow the government has to be very clear and very precise in its meaning. Whatever verbiage it finally brings forward in the final constitutional proposal, it should be concerned about recognizing those things that are unique to Quebec in the Constitution.

It also wants to be sure that whatever that recognition is, it not be something that in fact reduces powers that other provinces or the federal government may want in their area of jurisdiction. They were certainly very clear on that. There were many points of discussion over that particular proposal.

One of the things we found most interesting was the discussion as it centres around some of the economic concerns that were raised in the constitutional process. It is very clear that the constituents of Ontario riding are most concerned about the economic future of this country. They certainly support the idea that we must have free and open borders within Canada for business to conduct its affairs, for the mobility of people, for the mobility of products and services throughout Canada. There was certainly a very strong feeling in support of that.

They wanted to make sure that however we arrived at that particular process, it enabled the Canadian economy to function. Certainly the point was very well raised by many who participated in the public forums that the process of free trade with the United States was there. Maybe we ought to have some free trade in Canada as well. I think that point is reflected in the report of the committee.

Another area, of course, that raised a lot of discussion was the whole issue of Senate reform. I would say that there were very few people who participated in the process who did not want Senate reform. Surprisingly though, there were some who said they believe in an appointed Senate, they do not want an elected Senate. I

would suggest to you, and it is borne out by the report, that the majority of people were in favour of Senate reform. They clearly wanted an elected Senate, they clearly wanted an effective Senate.

• (1840)

I would say on this point that there is no unanimity among my constituents. Other parts of Canada may think that equal means exactly that, but in my part of Canada and certainly in Ontario riding this issue of equality is something that needs further explanation, if I can be polite in explaining it that way. For example, it is very clear that Ontario riding today has one MP, as do all the other 294 ridings, but Ontario riding has 170,000 people. The average riding in Canada is 80,000 people. If we are suggesting that we want equality in the Senate, then some of my constituents suggested that Ontario ought to have equality in the House of Commons. That either means another 15 or 20 seats for Ontario in the House of Commons or maybe 20 less seats for all the other provinces.

They are not opposed to equality but suggest that we should not lose sight of the inequality that exists in this Chamber at this particular time. Perhaps we could have a debate on that point.

The other interesting point was the questionnaire that was distributed. I have a copy of it which I will table as well. The results of the questionnaire were somewhat different from the information received from the people who participated in the public process. We mailed out 57,000 questionnaires. There were 28 questions and you had five options on each of the 28 proposals. I think you will find in this report that it summarizes very nicely the responses.

I would suggest to you in a very brief comment that of the 28 proposals, 27 were endorsed wholeheartedly. The 28th, which is the distinct society clause, did not go down to defeat wholeheartedly, in fact it was 41 per cent in favour and 51 per cent opposed, which I think is a fairly close comment. However, all the numbers are in the report and I look forward to the committee and to all members of Parliament reading what my constituents had to say on the proposal.

I thank the government and all members of this House for providing this opportunity for me to present, on behalf of Ontario riding, the views of my constituents on this subject.

[*Translation*]

Ms. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, *Shaping Canada's Future Together*, this is, in principle, the *raison d'être* of all these three rounds of consultations across the country. We held consultations after consultations, at the Canadian citizens' expense, citizens who have had it with all those words and papers, and who are desperately waiting for us to finally make a decision and go on to something else.

[*English*]

Even if many have doubts about the weight their input might have on where this country might go, groups from all segments of society have taken the time to bring forward their concerns and their hopes.

I would like to share with you some of the opinions held by my constituents, expressed to me at different meetings and convey their attitudes as measured by a small survey I conducted in my riding.

[*Translation*]

When asked what kind of government would best handle certain matters, most people gave answers which shed new light on what Canadians expect from their government.

Of all respondents to a survey conducted in my constituency, 59 per cent answered that education should be controlled by the provinces; 40 per cent answered that health care should be controlled by the provinces; 65 per cent answered that housing should be controlled by the provinces; 40 per cent answered that labour force training should be controlled by the provinces. However, 37 per cent of these respondents were in favour of sharing powers in the areas of labour force training and health care.

[*English*]

As for communications, it was very interesting to note that 61 per cent wish the federal government to keep control of this dossier. In other words, Canadians want the provincial governments to handle most provincial affairs, there being a possibility of sharing in certain areas. The federal government would keep control of communications to assure a Canadian vision of this country.

[*Translation*]

As for the content of the constitutional statement, it is interesting to note that 96 per cent of the respondents to our survey want a clause preserving our two official languages. Eighty-six per cent find that the diversity of our cultural heritage is important and 80 per cent want the role of aboriginal peoples to be recognized.

It is also essential to recognize the distinct character of the Quebec society for 67 per cent of them and that in a multi-ethnic constituency. Those sole percentages already show that the men and women of Saint-Laurent—Cartierville wish Canada to be a country that recognizes its history and lives for its future without rejecting its past.

[*English*]

While the people in my riding consider the constitution issue as a priority, they are telling me that the economy is even more paramount. Ninety-seven per cent of the respondents to my questionnaire said they believe that the free circulation of people, goods and capital is an important objective if we are to improve Canada's sagging economy.

Many Canadians believe that people with skills and products must be able to circulate without barriers in our own country if we seriously want Canada to be competitive in the global market.

The elimination of provincial buying policies for 62 per cent, the elimination of interprovincial restrictions on trade for 76 per cent, and the elimination of interprovincial restrictions on professions for 72 per cent of respondents are essential, in their opinion, to make Canada more effective.

It is only by free circulation of goods and services that we will be able to answer the working needs of so many and thus boost the economy to a healthier tomorrow for all.

[*Translation*]

In spite of all these data and all these consultations, it really seems like the country is rapidly disintegrating. Bankruptcies are common. So too are lay-offs and the Constitution is the topic, again and again. People are tired, if not fed up with the word Constitution. They are disgusted with words like unity, separation, amendments, proposals, and consultations. These are only words and they will not necessarily lead somewhere. They are fed up with paying, because their tax money pays for all these consultations which seem to carry on endlessly throughout the country. While the government is spending, sometimes through mismanagement, the country is economically disintegrating. More and more permanent jobs are being lost—in fact, they are becoming a rarity—and, for the most part, they are being lost for good.

The government keeps talking about labour force training programs. But what is the use of this nice training if there are no jobs to go to? If it is important to have a united Canada, it is essential to have an economically sound Canada.

The Liberal Party does not wait to be in office to offer concrete solutions to the economic problems of Canadians. As soon as January 1992, it proposed a one-year emergency economic plan which includes the following: a 5 per cent downpayment on a first home purchase.

On that point, I would like you to note that the Conservative government had the good idea—it happens sometimes—to put that proposal into effect as soon as the House opened, that is at the beginning of February.

Our second proposal deals with the possibility of using a RRSP to buy a first home. The third one is cost-shared programs to modernize the infrastructure. The fourth one is the enhancement of labour force training. The fifth one is an emergency federal aid to food banks.

• (1850)

[*English*]

People are ready to give Canada a chance. They are ready to support leaders that will make this country an economically healthy place again. They are ready to work and it is up to the Prime Minister to start answering their basic demands if we are to survive.

[*Translation*]

All Canadians must once again be proud of their country. If the existing government cannot meet this challenge, there is no doubt that the Liberal Party can. And it will be proud to prove it after the next election.

[*English*]

Mr. Ian Waddell (Port Moody—Coquitlam): Madam Speaker, I rise tonight to take part in this most important debate.

I am very proud of the fact that this morning Brenda Wahlen and Michael Manley-Casimir, both of Coquitlam, British Columbia, made a presentation of a brief which reflects the work of our constitution committee in the riding of Port Moody—Coquitlam. They made the presentation to the Dobbie—Beaudoin committee on shaping Canada's future. I was very proud of them. They did a great job. It was a great example of Canadians getting involved in the decision-making process.

As I speak now, those two people are on a jet aircraft flying the 5,000 kilometres back to the riding. Do not feel sorry for them, however. It is minus 24 degrees outside here in Ottawa with the wind chill. They are going back to something like 10 or 15 degrees, where last weekend people were playing golf, playing tennis and cycling with their families. So they are very lucky.

My riding consists of five municipalities; Coquitlam, Port Coquitlam, Port Moody, Anmore and Belcarra, in the suburbs of Vancouver. They are the fastest growing areas of the country and the people who come from them, as these two people did today, reflect a confidence and a generosity that is really unique in a country that is somewhat dispirited. We are a spirited bunch and we have much to be thankful for in the beautiful natural setting that we have in Port Moody—Coquitlam.

I want to go over the brief because I think it is important and instructive. It dealt with some of the most difficult points that we have to deal with as a nation in the next few critical months. Quebec's distinctiveness is one. Can we recognize Quebec as a distinct society? Here is what the committee said. This committee consisted of a number of people who responded to an advertisement I put in the papers. I contacted people, asked people to come and they met a number of Sunday afternoons in November and December, got together with a larger group in January and put together this brief.

What do they say about Quebec's distinct society? They say that Quebec is historically, sociologically, politically and culturally distinct. So what is the problem? The government proposals define the distinct society in that Quebec has a French speaking language majority, a unique culture and a civil law tradition. They have had that since 1763 and before that. Therefore, the committee says they propose to recognize Quebec's distinctiveness and by doing that acknowledge what has always been the case. So let us not tear ourselves apart as a country over whether Quebec is distinct. Let us say it. Let us get on with other things.

The second thing is aboriginal self-government. Grand Chief Ovide Mercredi of the Assembly of First Nations gave a most passionate speech today before the Dobbie—Beaudoin committee. It was really moving. What does my committee say about this? They said the proposals put forward by the federal government which would say in 10 years you can go to court and try the notion of inherent aboriginal self-government are not satisfactory. Let us be generous, let us be open and let us bring native people also into a modern Canada. They said: "let us recognize inherent self-government now and then let us get a mechanism that we can to define it, to bring in what it really means for all the different native groups across the country".

The self-government should be within Canada. It should be subject to the charter of rights or to some other charter that would fit in the collective nature of what the native people want to do.

Dealing with questions of jurisdiction of money and of other mechanisms of native self-government, they suggest that could be worked out with the help of a royal commission on aboriginal people. They also pointed to New Zealand, where the Maori are represented in Parliament; they said perhaps this could be done in a reformed Canadian Senate. Finally they said let us zero in on where we could really aid native people, that is in post-secondary education, in culture, and in economic matters. I think that the brief makes sense.

On the Canada clause, the third item dealt with, the Canada clause defines various elements in Canada. My people, my committee wanted us to make the Canada clause a stirring preamble to the Constitution. They suggested there are areas of fundamental values Canadians share: human dignity, mutual responsibility—we have responsibilities to one another, they said—economic equity, fiscal fairness; the right of all persons, communities and institutions to fair fiscal treatment we fairly contribute to the well-being of all; social justice, and finally something that is very important in a young community like mine, environmental integrity. Let us put the environment in a modern constitution.

The committee also dealt with Senate reform. It was divided on it, quite frankly. X Some, like me, wanted to abolish the Senate outright. Others wanted the Triple-E Senate. When asked this morning, they said that to the committee. They came up with a compromise, which would be an elected Senate with reduced powers but on the German model, where the bigger provinces get more seats and the smaller provinces fewer, but the smaller or middle sized provinces like British Columbia have a little more than would be normal so that they could be better represented in the federal government. It seems like a good compromise.

They suggested that the House of Commons be reformed, but that should be done here in the House of Commons. It does not need to go in the Constitution. XXXXX

They dealt with the Supreme Court of Canada, and they had a particular British Columbia worry. The government proposes to freeze the Supreme Court as it is now: three Quebec judges, three judges from Ontario, and three judges from the rest of the country. They said: "Wait a minute, B.C. will soon be one of the most populous parts of the country; people are moving to B.C. We are growing like mad. Let us not enshrine this", they said, "because there may in the future need to be a judge in the Supreme Court specifically from British Columbia". This reflects the dynamic nature of the B.C. way of thinking.

On the Bank of Canada, they said do not constitutionalize a failed economic policy or one political idea of an economic policy. However, we could put in the Constitution the nature of an economic union. We should be able to move goods and services and people throughout the country. That makes sense.

An interesting aspect is on culture. My committee dealt with the CBC. They said: "Yes, you can have provincial control, more provincial powers in broadcasting and so on, but do not destroy a national institution like the CBC; be careful about that".

Under government programs and services, where the constitutional proposals are that the provinces get additional powers like in wildlife conservation, tourism and so on, they had a good point. One of the points they made was that when a boater pulls into a small harbour in British Columbia they see a sign that would say: "Canada". My people want to keep that. They want to keep the symbols and the signs and the powers over all of the Government of Canada.

On property rights, I will read what the group said: "The committee is thoroughly uncomfortable with the inclusion of property rights in the Constitution, because the proposal as it stands is vague and undefined". The idea was seen as pandering to big corporations, business and real estate interests, and again not in the general public interest of Canadians at large. There is a clear sense within the committee that a constitutional provision should apply only to a matter of central national public interest and not to particular interest or special interest. The committee opposes the inclusion of property rights in the Constitution.

• (1900)

Finally, although this is not in the government's proposals, the committee wants us to deal with the social charter. It thinks there are general social benefits that are available to Canadians as a whole and this should be in the Constitution.

Let me say again how proud I am of the submission. Let me table it for the House and for other members to see. Let me conclude by saying we want to see and we should see more people participating in the process. When you get the ordinary Canadian participating and sitting down to talk together you get real constitutional solutions.

This country could be lost. We are in a constitutional crisis, and we have to use all our talent. I am very proud of the moderate, visionary and doable proposals of the group from Port Moody—Coquitlam, and I am pleased to present them to the House.

Mrs. Barbara Sparrow (Calgary Southwest): Madam Speaker, tonight I take this opportunity to present to this House and the Canadian people the views of many of the constituents of Calgary Southwest regarding the constitutional proposals. My report is expressed in terms of a consensus that was generated after listening carefully to

hundreds of people and reading the many briefs and letters I have received.

In March 1991 I sent out 1,200 questionnaires and received a 16 per cent return. The results were: 95 per cent favoured one unified Canada; 90 per cent favoured a strong federal government; 90 per cent favoured a government that is fiscally responsible to reduce spending, to balance the budget, and to remove inefficiencies and duplications; 80 per cent favoured Senate reform: a Triple-E first, if not, abolish the upper house; 75 per cent favoured all provinces treated equally, equal rights for all Canadians; and 70 per cent wanted aboriginal difficulties resolved, recognizing the realities that exist today, for you cannot bankrupt the country.

Following the tabling of the proposals *Shaping Canada's Future Together* in September 1991 I held five town hall meetings, well advertised to all Calgarians, participated in five school discussions, plus a CMHC co-operative housing meeting. I also received many briefs with well thought out excellent insight and had numerous meetings in my office.

The views of my constituents are, first, too much to consider in the time available. The main issues are keep Canada whole, Senate reform, aboriginal peoples, and economic union. The challenge that constitutional reform poses for Canada is a unique opportunity to both unify and strengthen our country.

On unity, Quebec a distinct society, I quote: "Quebec contributes much to Canada. There is a special magic in her culture and her language that all Canadians recognize, but we are not willing to keep her at any cost".

There were many heated debates and discussions on distinct society. Most people now understand and have come to grips with the historical significance that Quebec is different through culture, language, and law, but in no way superior. All provinces must be treated equally, while recognizing their differences. There can be no special status for any one province. What is offered to one province must be offered to all, and whether they accept or reject it is another question. Bill 178 in Quebec was and is a lightning rod and is unacceptable to the constituents.

On Senate reform, the Triple-E, elected, equal number of persons from each province, and effective, this is the Senate wanted and supported. I have received suggestions and briefs supporting different opinions. Some want equal regional representation; others say as long as the total number of seats from Manitoba, Saskatchewan, Alberta, and British Columbia equal or are more than Ontario and Quebec combined, that is satisfactory. One submission received called for the ACE model—accountable, consensual, and elected—and it is worth study.

Aboriginal peoples: while we did not have extensive discussions, most people agreed upon self-government for natives, yes, but it must be done within the boundary of Canadian laws. The move to self-government should be matched by the elimination of the Department of Indian Affairs. The question asked many times, and I quote: "Self-government is a nice sounding expression, but how can it become a reality when these people are scattered from coast to coast to coast?"

The whole arrangement with aboriginal peoples must be totally revised. Whatever the results, it must include democratic freedom to every individual native and be guaranteed in the Constitution.

Canadian economic union: the free movement of persons, goods, services, and capital, plus the dismantling of our interprovincial barriers, is crucial to our success as a competitive nation. Understanding and identifying what is required to make Canada internationally competitive is perhaps easy; reaching that objective is more difficult. It requires the co-operation and support of all levels of government with one goal: Canada first.

Council of the Federation is not needed, and it really received very little if any support.

The Canada clause should be moved to the preamble of the Constitution. We are all Canadians. We are a free democratic society that respects all people in this diverse country. There should be a responsibility clause, and I quote one suggestion: "a recognition that government is an organization to which we all contribute, i.e. taxes, according to our abilities and from which we obtain services in general according to our needs, and that we citizens have unalienable rights and serious responsibilities to conduct our lives in an honourable manner in harmony with the Constitution, and to inform ourselves of our government's activities and to exercise our rights

to participate in the political governmental process at all levels".

Also the environment must be included in the final package.

Other areas have been discussed, and I want to bring them to your attention. Institutional reform: Canadians want a responsible and a responsive political process. The consensus from all groups, while reviewing the House of Commons, was that the discipline imposed by parties should be reduced and elected members must exercise the wishes of their constituents more freely. Free votes should be encouraged and members must participate and examine bills right from the beginning, before tabling, and allow more input. There should be a mechanism or guidelines to establish bills of confidence. All members must raise the quality of debate and make the House of Commons a more credible institution. MPs must curtail verbal abuse, learn to acknowledge positive suggestions, do what is right for Canada.

Housing: the Midnapore Co-op Housing Association expressed a very strong and urgent need that all Canada Housing and Mortgage contracts be honoured if housing is moved to a provincial responsibility.

There is a consensus that property rights should be in the Constitution. Property rights is a basic tenet of freedom.

Most of the constituents believe that appointments to the Supreme Court should not be a matter included in the Constitution. I quote: "The purpose of a Constitution is to set rigid parameters and guidelines within which government is empowered to fulfil the duties set out heretofore. The Constitution is therefore not to be an act of government, but a law to government by the people who pay their representatives to serve them in the said administration of the affairs of the nation".

In conclusion, the main issue is the unity of Canada. At one meeting the suggestion was made to let Quebec have its referendum first and then Canada could debate the Constitution. Bill 178 in Quebec is unacceptable. Distinct society, while acknowledged, should be defined by adding a sentence that distinct means different and not superior. All provinces are equal and must be treated equally. There are no second-class citizens. The Yukon and the Northwest Territories are important and when they become provinces the amending formula of seven out of ten provinces with 50 per cent of the population will have to change. We are all Canadians; no hyphenated Canadians and no multiculturalism.

• (1910)

A strong economic union is necessary to maintain our standard of living. Any amendments to the common market clause, section 121, must be beneficial to all with no specific economic benefits given to one province in particular.

I want to thank all the constituents of Calgary Southwest who participated and gave careful consideration to this process. I have tried to reflect their views here tonight. I have drawn a consensus in opinions received from them in order to meet the time allocated to me tonight. I respect each individual's direction, concern and viewpoint.

I will conclude with a quote: "The federal government should be vigilant of the need to move the governing of the country and provision of services closer to the people, while still maintaining efficient and effective service to all".

Mr. Bob Speller (Haldimand—Norfolk): Madam Speaker, it is my pleasure to stand in the House today to present the report of the constitutional panel that was held in my riding of Haldimand—Norfolk throughout the month of January.

I feel that it has been a very important process and certainly a learning experience. I learned more fully the views of my constituents on this issue. Furthermore, I know that their views are indicative of the attitude of the rest of Canadians.

My riding of Haldimand—Norfolk is really in a unique position in that it encompasses so many different interests. It is an agricultural community with a small manufacturing and industrial base. People settled in this region from all around the world to farm the fertile land of the area. We also have the largest population of original peoples located at the Six Nations and the New Credit.

Quite simply, my riding of Haldimand—Norfolk has a cultural and linguistic diversity that could be an example of how compromise and understanding have really built this strong and united country.

Let me begin by telling the House how impressed I was with the interest shown by the group of Canadians in my riding, particularly Mary Edmonds, Hilda Howes, Zelda Stadder and Flora Chute, who organized the two

panel discussions in Simcoe. Mrs. Edmonds and Mrs. Howes made their presentation to the special joint committee on a renewed Canada earlier today.

These are people who obviously care about their country and care about the future of our country. After all, they have taken the time and the effort to participate in this current round of constitutional talks.

It impresses me because I know the mood of Canadians. They are tired of this debate and a greater consequence is that they seem to be really fed up with what is going on with the constitutional talks. However, these people have proved that there are still many Canadians in this country who want the country to stay together. I am proud that they are willing to work to help keep it that way.

I believe that their views represent what the majority of Canadians want. They have not let the media or the academics or the politicians skew the reality that Canadians want a strong and united Canada. These Canadians are telling us what Canadians want and we should start listening.

We have had years of this debate. We know what the positions are. These Canadians are telling us that they want us to get on with it.

The constitutional meetings that took place in my riding in January discussed Senate reform, property rights, aboriginal rights, women's issues, Canadian agriculture, trilateral free trade, interprovincial trade barriers and youth issues.

However, the underlying theme of the whole convention was national unity and the importance of Canada staying together and being united. In order to achieve this, the panel concluded that we must all be prepared to compromise, specifically in terms of the issue of Quebec. It noted that in some instances it may be necessary to accept change and go along with things we do not really like in a compromise to preserve national unity. It is exactly the spirit of compromise that can get us through our current constitutional dilemma and guide us into the future.

The panel also recognized the distinct nature of Quebec's language and culture and its need to preserve and protect it. Most important, the panel recognizes that without Quebec there can be no Canada.

Without the French language and culture there can be no Canada. What concerned the panel the most was that Quebecers would not see that the majority of Canadians really realize that, and I hope my friends to my left in the Party Quebecois are listening to that.

Therefore I was pleased when Mrs. Edmonds and Mrs. Howes pointed out to the committee that when the media pays more attention to the defacing of a Quebec or Canadian flag than it does to covering the productive constitutional meetings like those in my riding of Haldimand—Norfolk, it really does a disservice to this country.

I am happy to see that more and more Canadians will recognize this and this may in some way help influence how the media portrays what is happening in this country.

The committee also noted that it was very concerned about the regional economy, specifically the crisis facing Canadian farmers and the many who have lost their jobs in the manufacturing sector. Among the recommendations for a national economy was the importance of eliminating interprovincial trade barriers because "they hamper the prosperity and the freedom of all Canadians".

Women's issues were discussed by school principal Mary Lou Norman who noted that women still do not have a major role to play in constitution making. She stressed the importance of equality regardless of gender, race, ethnic origin, colour or disability.

Graham and Shirley Smith, Oshweken residents of the Six Nations, told the constitutional panellists that land claims are the biggest issue for native peoples. However, they wondered how natives fit into the Constitution and the constitutional process. I quote: "There has to be a respect. There has to be a dialogue on both sides. There has to be a representation on both sides".

The streamlining of government services was a concern of city of Nanticoke mayor Rita Kalmbach, who told the panel that putting an end to the duplication of government responsibilities must be a high priority of any government. She also pointed out that the accountability and efficiency of government must be restored if the public is to have confidence in our government. I quote again from her proposal: "We need simpler

government with a clarity of purpose. We need effectiveness and efficiency in the delivery of services".

As you can all see, some very important viewpoints were presented at the constitutional meetings that took place in my riding. I must say I am very proud of all my constituents who involved themselves in this process.

To conclude, I would like to say how much I appreciate the time and the effort that went into the Haldimand—Norfolk constitutional meetings. I now realize like many other Canadians that the people of my riding are working together in promoting our great country. Moreover, there really was a realization that we need to rejuvenate national pride and restore a national sense of purpose and a common cause.

The conclusions reached at the constitutional panel meetings in Haldimand—Norfolk are a real reflection on the Canadian values of fairness, sharing, caring and compassion, but most important the concept of compromise.

The meetings that took place all over Canada had an underlying theme of compromise, recognizing that without it this country really does not stand a chance.

I would like to end by quoting an important passage presented in Mrs. Edmonds' and Mrs. Howe's brief before the committee this morning. It is something that I think all Canadians should think about: "Nothing can be gained by dwelling on past grievances. Bearing in mind past mistakes, we must put old grudges aside and move ahead in the 1990s, working together for the future".

I would like to thank everyone who participated in these discussions for caring so much about Canada and caring so much about our people, and for taking the time to get involved in the future of their country.

Mr. Bob Corbett (Fundy—Royal): Madam Speaker, I appreciate the opportunity to participate in this debate which may be a milestone in the development of our country or perhaps the turning point. I trust that we will take the right decisions in the days and the months ahead.

I represent the constituency of Fundy—Royal in New Brunswick, Atlantic Canada, and I believe that my constituents fairly represent the feelings and attitudes not only of Atlantic Canadians and New Brunswickers but Canadians in general, particularly those Canadians from outside the province of Quebec.

• (1920)

Over the last months I have had an opportunity of conversing with them to gain their opinions. I would like to share with the House and nation some of their thoughts with reference to what this country is all about and what the future of it should be, particularly in relation to how it would affect Atlantic Canada.

Recently, some have called for a wholesale restructuring of our Constitution which would include a new division of powers. This year, Canada and our Constitution will celebrate their 125th birthdays. It is a Constitution which has seen us through massive urbanization, two world wars, the Great Depression and the technological revolution. It clearly has some merit.

It is important that we do not overlook the remarkable flexibility of our Constitution by ignoring these achievements and completely restructuring our fundamental law.

The context in which the national unity debate is taking place is clearly a difficult one. The recession has Canadians' attention focused on the economy and there is a tendency to be somewhat apathetic where the Constitution is concerned. That is understandable, but surely all of our problems pale in comparison to the very unity of our country.

Economic recovery will be meaningless at the end of the day if we have no nation. We must make unity first, and it must he our top priority. It is important that we, as Canadians, are fully aware of what is at stake. We must carefully weigh our options and discard those that would tear us apart rather than unite us.

As with the Meech Lake Accord, the underlying purpose of the current constitutional package is to bring Quebec into the constitutional fold as a full partner. Abraham Lincoln astutely predicted prior to the American civil war: "A house divided against itself cannot stand". Without Quebec as a full participating partner in our federation, our house, if not divided, surely is on a precarious foundation.

Equality in the Canadian context has never meant identical treatment. Indeed, each province negotiated its own terms of union with Canada. That is why British Columbia got the promise of its railroad. Newfoundland

got its denominational schools and the maritime provinces benefited from the redistribution of wealth from the more prosperous provinces.

It is this unequal treatment that allows each province to be distinct in its own way, but this should not be confused with Quebec's individuality. The distinctiveness of Quebec is not an issue here. No one surely who is familiar with our nation would deny Quebec its unique character.

The issue is how do we incorporate Quebec's distinct identity into our Constitution. Unfortunately, the issue has been fraught with emotion, but if we are to resolve it, we must approach it from a reasonable and a compassionate point of view.

In my opinion, the new distinct society clause is a much improved version over its predecessor, the Meech Lake Accord, because it makes clear that Quebec's distinct society refers to its French-speaking majority, its unique culture and its system of civil law.

I believe that New Brunswickers and Atlantic Canadians as a whole are fair and reasonable people. We recognize the contribution of Quebec to Canada's identity and we remain confident that an accommodation can be reached with Quebec.

For Atlantic Canada, the issues of prosperity and unity are directly linked. A Canada without Quebec would have serious repercussions for the Atlantic provinces. There would be geographical isolation. There would be a tendency to gravitate to the United States. What are the implications of those types of moves?

It would mean that Atlantic Canadians would have no equalization payments. It would mean that there would be no medicare as we know it today. There would be no support for post-secondary education. There would be no regional development, and there would be no unemployment insurance. There would be no support programs for our agricultural community.

The list goes on. If this were not the unity debate one might think that I was speaking from the platform of the Reform Party from the west, because indeed those are the very things they would have us do away with in Atlantic Canada.

Even if the remaining Canadian provinces somehow regroup, I doubt very much that it is reasonable to assume that the philosophy of equalization would apply. I doubt that very much.

Although the extent of our dependence on the federal government is not something that we are proud of, the fact of the matter is that Atlantic Canada relies on the federal government for its economic well-being more than any other region of the country.

For example, we are a net beneficiary of transfer payments. This year New Brunswick is forecasted to receive $875 million in equalization payments; $198 million under the Canada Assistance Plan; and $550 million under Established Programs Financing. These major transfers account for 39 per cent of New Brunswick's revenues.

Loss of these and other transfer payments would surely result in a decline in our standard of living. There would be substantial emigration from our region. It would have a ripple effect on local economies whose pools of skilled labour would be depleted. It would discourage businesses from relocating to our region and youth would emigrate from our area as surely as the robins fly south in the winter, only not to return. Atlantic Canada would become an area, a region of geriatrics.

I want to emphasize that New Brunswick does not want to remain a have not province. We want to decrease our dependency on the federal government. We want to develop our economy to the fullest extent.

We want to be contributing partners in the federation. But to do so we need the leadership of the federal government. We must recognize that one strong undivided Canada is essential to the economic health of New Brunswick and Atlantic Canada.

The government's proposal to eliminate provincial trade barriers is a positive step. Trade is the life-blood of New Brunswick and it makes no sense to have a free trade agreement with the United States when we erect trade barriers within Canada. We have already taken steps in the maritime provinces to tear down trade barriers. We must do the same throughout the rest of Canada.

We believe that our central institutions must be revamped. They have not necessarily served us in a beneficial manner and for that reason we believe that a reformed Senate is indeed in the best interests of

Atlantic Canadians. Elected, effective and equal is a step in the right direction.

I want to conclude my comments this evening by saying that for all of our problems, in Canada we are truly a blessed nation. We have a standard of living that most countries would simply love to emulate, a network of social programs that are the envy of the world, and an international reputation surpassed by few.

The challenges that Canada is currently facing are great, but I do not believe they are insurmountable. In the weeks and months ahead we must call upon our qualities of fairness and willingness to compromise, to forge an agreement that will respect the diversity of all Canadians. To do otherwise would be to sacrifice all that our forefathers worked so hard to create.

We cannot afford to be complacent and assume that Canada will always be there. To have a world without the Soviet Union only a few short months ago would indeed have been unthinkable.

So while the challenges are great, the alternatives are all too real. We must work diligently to ensure that those alternatives do not become the reality.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I am pleased to participate in this special debate to allow members to report to the House and to all Canadians what their constituents think and have told them on the constitutional issue. First, I would like to explain what I did in Saint-Léonard, as the member of Parliament for that riding. Some members have held public meetings; others took polls. Others again went from door to door.

• (1930)

I am one of those who sent a questionnaire to all their constituents, to every address in their riding. During the summer, I also set up a three-week door to door program, so that those who wanted to provide answers could do so using the questionnaire, or by giving me personally their opinions on the whole constitutional issue and the future of the country.

This exercise started with a Liberal Party proposal for constitutional reform which was made public by the Leader of the Opposition during a speech in Montreal on April 21, 1991. The proposal included nine points which I will read briefly, and that everybody knows. In fact, the Leader of the Opposition himself has already explained the proposal during his speech on constitutional reform and has tabled it in the House. Those nine points are: (1) a declaration on the nature of Canada; (2) the attachment to the Charter of Rights and Freedoms; (3) the strengthening of the Canadian economic union; (4) the institutional reform; (5) the division of powers: (a) spending power, (b) immigration; (6) the Supreme Court of Canada; (7) the aboriginal peoples; (8) the amending formula; and (9) the national referendum.

With these nine points, I prepared a questionnaire that, as I said, was distributed to some 38,000 households in my riding. Since this questionnaire was mailed in June, people had all summer to fill it in. At the same time, I announced a canvassing operation and I visited one neighbourhood per evening, of which there are 14 in my riding. On August 12, I was in Rosemont; on August 13, in Mont-Carmel; on August 14, in Garibaldi; on August 15, in Saint-Gilbert; on August 16, in Hébert; on August 19, in Saint-Léonard; on August 20, in Delorme; on August 21, in Port-Maurice; on August 22, in Ferland, on August 26, in Saint-Angèle; on August 27, in Pirandello; on August 29, in Pie-XII. Unfortunately, because of the persistent bad weather, I was not able to visit the neighbourhood of Coubertin.

Madam Speaker, I can tell you that during those 13 evenings going from door to door with a group from my riding, we met people from all ages and all walks of life. So I can tell you that it is their opinion; that opinion is rather representative and is more or less similar to that of those who filled in the questionnaire and returned it to me.

Madam Speaker, I do not intend to give you my opinion on this whole constitutional debate this evening. As members of the House, I believe that we will have the opportunity to do so when the report of the joint committee is tabled, or when the federal government makes offers to the provinces. At that time, there will be a debate in the House and, as a member of Parliament, I will then give my opinion. So this evening during the 10 minutes that I am allowed in this special debate, I want to make sure that it is the people from Saint-Léonard who are heard. I want to tell the House, as well as my hon. colleagues and all the Canadians who are watching us and can read *Hansard* starting tomorrow morning,

what the people of Saint-Léonard think of the Constitution.

As regards the constitutional declaration on the nature of Canada, 74 per cent of those who participated in the exercise think that this declaration should include our attachment to both official languages. A majority of 70 per cent think that this declaration should also include the distinct character of Quebec. As well, 63 per cent of the participants think that this declaration should include a recognition of the role of the aboriginal peoples. This is all about the declaration on the nature of Canada, which defines our country.

Regarding the question as to whether we should promote the free flow of people, goods and capital in Canada, 87 per cent are in favour. The approach and details may vary but, on the whole, 87 per cent are in favour.

As to Senate reform, we asked this question: "In a reformed Senate, do you think senators should be elected?" Eighty-five per cent of respondents were in favour of elected senators. Of course, when you go into specifics, percentages and answers can be a little different, less clear cut. As I said when I started, these are the citizens of Saint-Léonard speaking tonight, not their member, so I will read exactly what they said.

There was a sub-question which asked: "If you answered yes, do you think that elections should be held on a fixed date?" Forty-seven per cent said yes; two per cent said at the time of provincial elections and 34 per cent said at the same time as federal elections. It is not clear cut, and I think we should wait and see whether the committee can come up with some suggestions on that.

About the role of the Senate regarding appointments to federal boards and agencies, 50 per cent of respondents thought that the Senate should have the power to review and 20 per cent said it should have veto power.

The role of the Senate in the legislative process. Forty-seven per cent said the Senate should be able to amend them, while 25 per cent said it should have the power to defeat them, and 14 per cent believe it should have the power to delay approval for no more than six months, which is called a "suspensive veto".

The seventh question, was the following: "Who, in your opinion, should decide whether or not a new province should be established?" Forty-eight per cent answered that it should be up to the federal government and the population of the potential province; 30 per cent said the decision should be made by the federal government, with the approval of at least seven provinces, and 24 per cent that it should be made by the federal government and all 10 provinces.

As regards Supreme Court appointments, 71 per cent of those who responded felt it would be important that the provinces and territories be involved in the process. As a matter of fact, I think there is a nation-wide consensus on this point, judging from various statements that were made and the results of various surveys. The problem is this: in the event of a deadlock, who should decide? Forty-three per cent said it should be the Chief Justice, which I think is a new idea. That is why it is sometimes important that the people be consulted. As I said, 43 per cent think the Chief Justice should decide; 26 per cent said that it should be the province or territory and 25 per cent said that the federal government should settle the dispute.

Where it gets both interesting and complicated is when we deal with the distribution of powers. We asked this question: "In your opinion, which level of government would be best suited to have responsibility in the following areas: communications? Ottawa, 41 per cent; Quebec, 12 per cent; shared responsibility, 45 per cent. Education? Ottawa, 18 per cent; Quebec, 41 per cent; shared, 41 per cent. Fisheries? Ottawa, 39 per cent; Quebec, 24 per cent; shared, 37 per cent. Health care? Ottawa, 25 per cent; Quebec, 37 per cent; shared, 39 per cent. Housing? Ottawa, 12 per cent; Quebec, 55 per cent; shared, 33 per cent. I think housing is the only area the people of Saint-Léonard clearly felt should be a provincial jurisdiction. Immigration? Ottawa, 40 per cent; Quebec, 26 per cent; shared responsibility, 34 per cent. Official languages? Ottawa, 26 per cent; Quebec, 30 per cent; shared, 43 per cent. Labour market training? Ottawa, 24 per cent; Quebec, 58 per cent; shared, 39 per cent. There is no doubt in the minds of the people of Saint-Léonard that responsibility for labour market training should rest with the province of Quebec. Natural resources? Ottawa, 26 per cent; Quebec, 27 per cent; shared, 47 per cent. The environment? Ottawa, 28 per cent; Quebec, 17 per cent; shared, 55 per cent. Finally,

unemployment insurance? Ottawa, 46 per cent; Quebec, 14 per cent; shared, 40 per cent.

That is what the people of Saint-Léonard told us, Madam Speaker. I have also received letters, but I do not have enough time to read them into the record.

• (1940)

In concluding, I would like to say that for the citizens of Saint-Léonard, the Constitution is not necessarily the most important topic. In Saint-Léonard, the most important topic is employment, access to jobs for our young people, as well as unemployment and taxes. Madam Speaker, the Constitution came in fifth place. Therefore, I hope that we can settle this issue as quickly as possible and move on to more important things such as the economy and the creation of jobs for our young people. Of course, the process and the specifics could influence the percentages, but by and large 87 per cent were in favour.

Mr. Nic Leblanc (Longueuil): Madam Speaker, as a member from Quebec, I have always felt that the constitutional question was absolutely vital. In fact, it was one of the reasons that made me decide to run federally. Constitutional issues have been a favourite subject of Quebecers and of mine for many years, but became even more significant between 1970 and 1980.

In 1980, we had a referendum in Quebec, in which about 45 or 46 per cent of Quebecers voted for Quebec's sovereignty. I felt this percentage was significant enough to consider this particular preference on the part of Quebecers.

The unilateral patriation of the Constitution in 1982 violated the rights of Quebecers. In 1984, the Progressive Conservative Party said it wanted to start a process of reconciliation. As we all know, a proposal was tabled and accepted by the first ministers in 1987 and then turned down in June 1990, the so-called Meech Lake proposal.

Since that time, or I should say, since June 26, 1990, two members, one from Lac-Saint-Jean and the other from Compton-Mégantic—Stanstead, resigned in protest during the negotiations on Meech Lake, when we realized that Quebecers were getting the short end of the stick once more.

On June 26, 1990, three members of the Progressive Conservative Party resigned: the members for Rosemont, Richelieu and myself. The day after my resignation, I received more than 300 calls from my riding, congratulating me on my brave gesture. Only three callers told me they were upset about what I did. All of which confirmed, as far as I and my colleagues who resigned were concerned, that ours was a legitimate and courageous act in the eyes of Quebecers. Ever since, I have had no regrets. It was a gesture made by members and people here in Ottawa to demonstrate clearly their position on the rejection of Meech Lake.

What did Quebec do? What did Quebec decide after this rejection? Quebecers and the Government of Quebec, in co-operation with the opposition party, decided to create a commission, one of the most high-powered commissions ever in Quebec. It was called the Bélanger-Campeau commission. Two well-known Quebec figures, with a great deal of credibility, agreed to act as joint chairman of the commission, with a mandate to consider and analyze Quebec's political and constitutional status.

This very serious undertaking was supported by 36 commissioners, including the Premier of Quebec, the Leader of the Opposition, members of the National Assembly, federal members from Ottawa, business executives, union leaders, cultural leaders, and others. They sat for six months and travelled through 11 administrative regions in Quebec. They sat in 11 cities and enjoyed the support of 55 experts. They held 277 hearings, including 32 forums with young people. They received 607 briefs from groups and individuals.

This was one of the most serious exercises ever conducted by Quebec. I think that today the federal government intends to forget what was achieved here. People said Quebec needed sweeping powers in order to be able to develop its full potential.

Since then, after this commission in Quebec, one can also read in the Bélanger-Campeau report: "We are going to see whether the federal government is serious, whether it can offer Quebec sufficient opportunities for development, we are going to look at all this, and if we don't like it, we will hold a referendum on Quebec sovereignty in October 1992 at the latest".

What did the federal government do? It established a committee, the Spicer committee, which travelled across Canada and made a fool of itself as a rule. Its own existence has always been questioned. It was a more or less serious exercise. Finally Canadians were asked for

their opinion and I hope it will serve a purpose when the time comes to finalize the report. The Castonguay–Dobbie committee was also established. But as you know, Senator Castonguay resigned because, as we have seen later on, he was against the federal government's proposals, particularly the Canadian economic plan. He clearly said so a few days ago. Hence he was replaced by Senator Beaudoin.

As this did not work very well, the Minister responsible for Constitutional Affairs decided to hold constitutional conferences which are mostly made up of people who want to renew Canada. In the invitations, mention was made that the purpose was to renew Canada. We have completely forgotten that in Canada there are more than 3 million Quebecers in favour of sovereignty. We have completely neglected to ask for their opinion. Quebec made sure that federalists were represented on the Bélanger–Campeau commission, but the federal government refused to hear sovereignists, even though they number more than three million in Quebec.

Will Canadian men and women understand the reality of Canada? I do not think so. The fact that the federal government refuses to hear Quebec sovereignists in this consultation process prevents Canadians from understanding that francophones are part of the Canadian reality. They are not an ethnic group, they are a nation. Quebecers represent a nation and never in this whole federal process did the government give English Canadians an opportunity to understand what Quebec is. Quebec is a nation; it is not an important ethnic group in Canada. Yet that is what Italians and other newly arrived ethnic groups believe. They believe that Quebecers are an important ethnic group. I think we should perhaps remind them of the history of Canada.

In conclusion, I would like to say a few words about the distinct society. Some people want Canadians to believe that the distinct society concept is limited to language and culture. It is not limited to language and culture, and I mean culture in the proper sense of the word.

• (1950)

Quebec's distinct society includes all our financial institutions, such as the Caisse de dépôt, Desjardins, our trust and insurance companies, and our small businesses. All these economic features set Quebec apart from the rest of Canada. Some people want us to believe that our distinct society is based solely on language and culture, in the strict sense of the terms, but that is not so. Quebecers also wish to protect and promote their economic characteristics.

That is why Quebecers will never accept that their economy be managed out of Ottawa. We will never accept such a thing, and I think several people got the message.

So if they try to delude us into believing English Canada is starting to understand how important it is to recognize our distinct society, it might be because they simply do not understand what Quebec means by "distinct society".

I see my time is running out. I just want to add that we can hardly wait for the federal government proposals. We are anxious to have this constitutional problem resolved so that we can undertake economic projects aimed at promoting Quebec's economy in particular.

[*English*]

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Madam Speaker, it is with a great sense of pride and opportunity that I participate in this debate this evening and to tell this House, on behalf of the constituents of my riding of Fredericton—York—Sunbury, about their views, about the consultations we have had with respect to the constitutional proposals and to deliver the promise which I made as I commenced the consultations in my riding several months ago.

I would like to say that over the past many weeks in a number of ways I have had the opportunity to consult with my constituents at public meetings held almost every month, at citizens' committees which met on regular occasions and in the normal course of interchange in our constituency: at the market, on the street, by phone, by letter and in personal conversation. My message was generally always the same, that I came to my constituents with a sense of pride and responsibility as their member of Parliament, available to talk with and listen to any individual or group of constituents having a

message to exchange with me about the historic and significant events which are before us. I said that the opportunities were not an exchange about party politics, but rather about identifying a common vision for our country and finding a sense of Canadian citizenship that we could all share and support.

I went on to say, and I say again, as most of us in this House know, that citizens are getting tired of hearing about the subject of Canadian unity I suppose and they wonder why we do not leave that subject alone and perhaps get on with the building of the economy, creating jobs and prosperity, cleaning up the environment and preserving the quality of life which Canada should possess in such abundance.

Truly those are the major goals that we all seek, but there is a foundation required on which all of our aspirations must be built and that foundation is a Constitution that fully reflects the values and the visions of all Canada's peoples.

I persevered and asked for the keen interest and earnest participation of my constituents over the months that were to come from the beginning of the release of these proposals. As we moved through them together, I believe that we commenced to learn and to understand them well.

We began to determine how we should best deal with them and hopefully we have come to a general consensus in many areas. There are certain areas of disagreement. In many cases there are people in my riding, as there are in every riding, who do not yet fully understand the proposals and those who understand them well and, frankly, oppose them because they do not appreciate the means by which we are trying to put this country together.

What really matters is that we did work at the process, as similar communities have done across this land and we are now realizing the achievement of a public opinion that is based on public involvement and a consultative process that has helped the decisions to be truly made by Canadians together.

As I said at the beginning, I undertook to my constituents that I would ensure their general views were delivered to this Parliament in some fashion, whether in total consensus or not and so I thank the House for the opportunity to do so tonight. I would also like to say I have had the privilege of sitting with the joint parliamentary committee on a renewed Canada at which time, I also, by letter, expressed my views through the co-chair persons to the committee. I will summarize those views briefly.

First of all, the people of Fredericton—York—Sunbury believe deeply in the potential and in the sanctity of a unified Canada. It could be construed as virtually a unanimous point of view. There are many differing opinions about how we should achieve the unity of our nation but I do not think there are many citizens who are strongly opposed to keeping Canada whole. In fact, most citizens are strongly committed to keeping Canada whole.

I am also convinced that in our province of New Brunswick, which is Canada's only official bilingual province, there still does remain an abiding majority support for the linguistic duality of two official languages, both in New Brunswick and in Canada.

There are, of course, many citizens who prefer the perceived simplicity which they feel would exist with only one official language, English, and there are others who are concerned about unfair application of the Official Languages Act and about preferential treatment in government employment practices, but on balance, I do believe that most New Brunswickers take pride in the model which our province has demonstrated for the harmonious and effective living together of our people under the mantle of official linguistic equality. Personally I support those policies in all respects.

With respect to the proposal to recognize Quebec as a distinct society within the context of language, culture and civil law, I also feel that most of my constituents would accept this to be a reasonable reflection of Canadian reality. There are concerns that such recognition does not constitute preferential treatment over other Canadians and there are others who would strongly prefer not to see such recognition take place at all. Again, on balance, I am convinced and would judge the majority view of my constituents to be one of reasonable acceptance of the distinct society provisions as a means of reaching consensus for the unity of our country. Certainly I personally support that position. There seems little doubt that most citizens in New Brunswick and in my riding do share the vision that Canada must include the province of Quebec.

I think also, Madam Speaker, there is a prevailing mood for the concept of aboriginal participation in our constitutional reform and for the principles of aboriginal self-government. There are concerns about the means by which those principles will be established but most Canadians in Fredericton—York—Sunbury would encourage us to move forward expeditiously and constructively.

I have also detected support for measures to improve the objective and constructive operations of the House of Commons and to convey a stronger perception of responsible and accountable representation by members of Parliament. For my own part, I must say I have not felt inhibited in that regard in any way and personally subscribe to the principles of parliamentary democracy, to the party and to the caucus process where I feel that I have been able to advance the cause of my constituents to their benefit in a manner that reflects the great traditions of this Parliament and of this country.

• (2000)

There was a surprisingly large body of opinion which would have been quite content to see the Senate abolished. I would say, however, on balance—this one a much closer balance—there is support for the concept of a Senate which is elected for sure, which is effective and which has function and powers and one which is equitable in the context that most people do not really believe that we can achieve equality in the true sense of numbers except perhaps by regional representation which I and my constituents would also support.

The citizens of Fredericton—York—Sunbury are very significantly concerned about a strong economic union. As original founding partners in Confederation, we have been the beneficiaries of dividends of that Confederation for many years to the extent that at this point in our history the benefit of those dividends amounts in a fashion in our favour to almost $8 billion per year throughout Atlantic Canada or almost $3,600 per citizen. It is extremely important that that participation in the equalized financial life of our country be maintained.

There are two other significant items that citizens advanced which I would like to put on the record.

First is the thought that the concept of the Charter of Rights and Freedoms should be enhanced to include also the sense of responsibility which we as Canadian citizens must share in the affairs of our country.

Second, the Constitution should reflect the concept of economic and financial integrity. By and large we should be a society that pays our way, that remains free of debt in the normal course of events and except for the cyclical flexibility which is required in any kind of economic planning, we should in effect practice that kind of economic integrity.

I know that I am running out of time but I would just like to finish very quickly by saying that it is with a great sense of pride and responsibility that I have worked with my constituents to understand these constitutional proposals. I believe that there is a majority consensus view among the citizens of Fredericton—York—Sunbury which by and large supports the initiatives put forward by the government and which certainly, above all else, supports the efforts being made by all members of this House and by all citizens of this country, I would hope, to achieve the unification of our nation.

Mr. Bob Kilger (Stormont—Dundas): Madam Speaker, I welcome the opportunity to speak this evening during this special debate on the Constitution and how this important issue is being viewed by my constituents in Stormont—Dundas.

Last month I conducted a series of constitutional forums in my riding in the communities of Iroquois, Finch and Cornwall. I wanted to discuss with my constituents in an entirely non-partisan and informal manner each of the 28 constitutional proposals that have been put forward by the federal government.

In devising these constitutional forums, I wanted to provide my constituents with an opportunity to have their views and opinions heard. I believe it is vital that Canadians have the opportunity to become a part of the constitutional reform process. It is equally important for their voices to be heard, as we know all too well the dangers involved in proceeding with constitutional reform without full and open public consultation and participation.

Aside from the three constitutional forums I held in my riding, I also placed a constitutional questionnaire in my last householder to my constituents. I believe it is incumbent on all members of Parliament to take an active role in finding out what their constituents think on

an issue of importance such as the one we are debating today.

While I received nearly 500 responses from my questionnaire in my householder, I can say that the results were very similar to those I obtained from a questionnaire I distributed during the constitutional forums. I will, therefore, confine my remarks to the comments I heard at the forums and refer to the results from the questionnaires I received from these three forums.

To begin with, I was very pleased to see the interest my constituents had in the constitutional debate. I would, of course, like to thank those constituents who did come out on three winter nights to meet and discuss with their member of Parliament, friends and neighbours an issue which they felt was of considerable importance.

I was particularly delighted with the general consensus present at each forum whereby participants had a shared desire for Canada to remain a strong and united country.

There was also substantial support for the aboriginal people of Canada. A clear majority of participants supported aboriginal self-government and native participation in the current constitutional deliberations. Strong support was also present at our forums for a constitutional amendment to permit aboriginal matters not addressed in the current constitutional talks to be addressed in the future.

On the issue of Senate reform, an overwhelming amount of support was displayed for an elected Senate. There was, however, a rough split on whether or not there should be an equal number of senators representing the regions of Canada. In addition, support for an equal number of senators for each province was not evident.

With regard to reform measures for the House of Commons, a significant majority of participants supported members of Parliament having more free votes and having vacant seats in the House filled within 120 days.

On the question of designating Quebec as a distinct society, the majority of participants were not in favour of the proposal. However, while I am committed to this proposal on a personal basis, I respect the views of my constituents and I was heartened by the support that was given to the recognition of Canada's linguistic duality as being a fundamental characteristic of our country.

While there was support for a Canada clause to be placed in our Constitution, there was concern expressed as to what exactly would be in this clause. Some participants commented about the ambiguity surrounding some of the aspects being considered for insertion in the Canada clause.

The proposals relating to a common market throughout Canada and the issue of an economic union were closely examined, and while they were afforded considerable support especially as they relate to the free movement of people, goods and services across the country, there was some concern expressed as to a need for clarification. Specific concern was expressed over how the economic union should be arranged and what it would entail.

The harmonization of economic policies between the federal government and the provinces did however receive support, while questions were raised as to whether or not the federal government or the provincial governments should have sole jurisdiction in certain matters.

Concern was also present over federal funding in provincial areas of jurisdiction. Most participants wish to obtain assurances that standard programs and services would continue to exist throughout Canada and federal funds would not be reduced if provincial governments obtained complete jurisdiction in specific matters currently involving the federal government.

On a more general theme, most of the forum participants in my riding believe that the proposals put forward by the federal government were indeed too ambiguous. Another common observation was that there were just too many proposals. This sentiment I believe has been echoed by many Canadians in recent days.

I too share these two comments on the constitutional proposals of the government but I recognize that they are proposals and there is every hope that we will see a number of these proposals better defined in the final package, as our party has suggested to the government.

I also believe that we will see a reduction in the number of proposals contained in the final package when it is presented in the House. I will, for now, leave those

two matters in the capable hands of the committee which is currently discussing the government's proposals.

Finally, with regard to the opinions of my constituents on the matter of the council of the federation, a clear majority could not support the establishment of such a council. Many feared it would be just another layer of government with an equally cumbersome bureaucracy and an expense which we could do without. First ministers' meetings held on a regular basis were viewed as a more appropriate alternative.

I was grateful for the opportunities the forums presented me to obtain the views of my constituents on the government's constitutional proposals. They will be part of my response in this Chamber to the government's final constitutional package when it is presented in the near future.

In conclusion, I am also grateful for this opportunity to share with other members in this House during this special debate some of the views and opinions of my constituents on the Constitution and the government's proposals.

The Liberal Party has also presented its own position on the Constitution to the government and to Canadians. We have indicated the direction we would like the government to take in order to bring about what we all desire for Canada: a united, proud and independent country for all Canadians.

• (2010)

In closing, Madam Speaker, I would just like to add this.

[*Translation*]

If I may for a moment, I would like to say something on a different matter. A few hours ago I heard that one of my colleagues, the hon. member for Saint-Denis, is celebrating today his 28th year in this House. He has been elected to this House 28 years ago, and I want to congratulate him.

[*English*]

Also, I see in the Chamber the member for Winnipeg South, the co-chair of our constitutional committee. I want to express my appreciation and respect for the committee and wish it well in its future endeavours.

Mrs. Dorothy Dobbie (Winnipeg South): Madam Speaker, I would like to thank the hon. gentleman opposite for his kind words and good wishes. It means a great deal to all of us in the House that we conduct these discussions in the kind of non-partisan manner that we have been able to do.

You see, Madam Speaker, that I come today without a formal speech. I am doing this because of some of the things that we heard in the committee over the past two months. It is very clear that many people are concerned that members of Parliament come and appear to simply read from material that people in the public believe has been drafted by the *status quo*, by the bureaucracy. They are feeling very fearful and suspicious that members of Parliament are not speaking from their hearts or are not speaking from their own sense of conviction.

I hope that I will be able to carry on a coherent discussion this afternoon because I intend to do so only from notes in order to respond to some of those concerns of Canadians all across the country.

I would like to begin by making a comment about the committee's work in the travel that we have had. We have been from one end of the country to the other and to all sorts of far reaches, the furthest reaches of the land. During that time we have received over 4,000 submissions and, believe it or not, we have heard from 560-some individuals and we still have some more tomorrow. Of that number, about 192 represent organizations. This is in addition to the four conferences that we have also been participating in, as listeners in most cases and sometimes as participants.

I think it is indicative of this round of the constitutional talks that Parliament has listened, all members of Parliament have listened to what their constituents have been telling them since the last round of constitutional talks that ended in the failure of Meech Lake. This time our concern is that people have an opportunity to fully participate in this constitutional debate and to know that if they are determined to have a say that they will have the ability and the opportunity to do so.

This is the Canada round. There is no doubt about that. It responds to a host of concerns that were expressed throughout the process of reviewing the Meech Lake Accord when it was tried at the last dying moments to resurrect it by listening to Canadians, and from the things that we have heard since, not just from

the Spicer commission but also from the Beaudoin–Edwards committee that came before the committee that I co–chair.

That is why there are 28 proposals on the table. We have heard criticisms that that is too much. First of all, I have to point out that not all of the 28 proposals are constitutional proposals. Some of them are instructions to the committee about the fact that we should do certain things and we should look into certain things. Some of them are intentions that the government has expressed about legislation that it intends to enact and it asks for advice on that legislation. One of those items, for instance, is reform of the Bank of Canada Act which would be accomplished merely through an act of the House of Commons.

You cannot have it both ways. When we went through the Meech Lake hearings, people were saying: "You didn't include us, you didn't count us in. Because this is the Quebec round, this is an exclusionary process and we want in". We heard that from aboriginal people, women, people who come from ethnic communities, people who are physically disadvantaged, and so on.

This 28 proposal package is an attempt to respond to all of the concerns that we have been hearing over the past two years. I suppose in the final analysis, the essential items that have to be dealt with according to the timetable that we have before us now are the ones that will be dealt with by the First Ministers when it comes time for them to begin to negotiate the final results of the committee's deliberations.

For the time being, it is very important that all of the options are there for the First Ministers to examine. These are things that Canadians have been telling us. For example, in the west, they have been saying that they feel alienated. Therefore, they want some fundamental change to the system so that they will feel included in the decision–making that emanates from the centre of the country.

It is important to make sure that we leave all of the proposals as wide open as we can so that First Ministers can make their decisions accordingly. However, there are three issues that concern us all very much. We must respond to Quebec because we have been dealing with this question for many many years. Surely after 10 years of having repatriated our Constitution, it is time to do the generous thing and respond to the minimal requirements of Quebec in order to become part of the Constitution of Canada.

I know that at all of the hearings we have held across the country, people responded very favourably to the idea that Quebec could be included as a distinct society, as represented by its culture, its French language and its civil law. I do not believe if you were able to take a vote of the people who are aware of the issue, who have studied it and thought about it, that you would find many were opposed. It reminds me of some of the more emotional issues that have been before this House where 25 per cent of the people are violently on one side of the issue and 20 per cent are violently on the other side of the issue. The vast middle majority say: "Please, find a reasonable accommodation somewhere down the centre, get it fixed and get on with it". This is true of the constitutional issue and it is true also of some of the more controversial issues in this particular round.

There is a deep desire to resolve the issues that are outstanding for aboriginal people, at least some of them on this round even if we do not get to them all. We should remember that constitutions are not things that are finite. They are never completed. They grow and evolve with the needs of society at that particular time. Of course, we must respond to the feeling of western alienation.

In addition our institutions, the parliamentary reform process about which we heard Mr. Brewin talk earlier, is an integral part of what we are doing. If we do not respect each other as parliamentarians, if we do not learn to listen carefully to what our colleagues are saying, listen with concern and believe they have a valid point, it is very difficult for Canadians to believe that they should respect us. If we have lost some respect perhaps it is time to look into our own hearts and see how we can reform our own conduct to ensure that we reinstil that respect for this particular institution in Canadians all across the country.

I suppose that it is no secret that there will be changes to the constitutional proposals when the committee makes its report. I think that it is a very positive thing for this country and for this government. They are after all proposals and they were put on the table so that people would have a foundation of discussion, a basis upon which to carry on the discussion.

This discussion has been very healthy and very helpful. It will help us to sort out exactly what we need to do when we come to the end of this particular process.

I want to mention something that bothers me a great deal. It seems to me that in some places in this country there are forces of darkness. These are the kinds of forces that instil fear and insecurity in the hearts of all Canadians because they play on all of the little things of which we are afraid.

Because this is a great democracy, these people and these forces have a voice. It is important that Canadians resist the temptation to believe absolutely everything they hear. They should use their heads. They should examine the positions that are being espoused and ensure that they are rational and reasonable. It is only by understanding the obligations of our citizenship that we will be able to preserve this democracy. These voices sound very appealing at times. They are the ones that pit the French against the English, the aboriginals against the French. They pit interest group against interest group and they pit everybody against the national interest. It is up to us to ensure that we exercise our responsibility as citizens in a way that resists those forces and looks forward to the optimistic, the wonderful and all of the things that are good out there.

• (2020)

I am going to just very briefly read from a booklet that was given to us today by one of the people who came to speak before the committee. It says: "Let Young People Speak". Young people have a way of saying things that get right to the heart of the matter and they say it much more eloquently than I ever can. I will read a couple of them very briefly. One is "Canada is a rainbow of people and places". This is from a student in London, Ontario. There is another one from Medicine Hat, Alberta which says: "It is like being in paradise". Another says: "Canada is a clean country, free of earthquakes and wars". Young people understand the value of these things. Another said, and I love this one: "When they ask about Canada, I usually tell them about the snowstorms, the fields and the caterpillars".

These kids really get down to the basics. They understand that there is more to life than fighting about constitutional issues. Finally, a teacher reports from Lumsden, Saskatchewan, that a vote was taken in her class to decide if Canada was a good country. The result was 20 out of 20 are in support of Canada.

Twenty out of 20 are in support of Canada in this House of Commons as well. I think that with good will and with a lot of leadership, we will get through this round and we will keep the country whole.

Mr. Simon de Jong (Regina—Qu'Appelle): Madam Speaker, thank you for the opportunity of joining the discussion tonight. I would rather call it a discussion than a debate on the future of our country.

First of all, let me start out by making it very clear to the members of the House that most of my constituents would rather see me rise in my place and talk about economic issues than about the Constitution. I think it is fair to say that a lot of Canadians who are facing severe economic uncertainty in their lives are much more concerned about their personal lives.

I have many constituents that are farmers who are seeing their family farmland that has been in their family for generations disappearing. I have constituents that are workers, that have worked in certain industries and shops for years and years who have lost their jobs or on the verge of losing their jobs or are afraid that they might lose their jobs.

They see that their own lives are falling apart. They are concerned about the future. They are not optimistic about the future. They feel Parliament should provide some economic leadership and that the Constitution is almost like a discussion about how many angels can fit on the head of a pin.

This does not affect their lives. They would like to see some leadership out of Ottawa. They are angry in many ways. To tell the truth, yes, they are angry at the constitutional debate. They have gone through the debate through the eighties and they would rather have us get on with what they consider important things in their lives. There is no denying it, they are important things in their lives because they affect their lives so deeply and so severely.

Having said that, I also wish to indicate to the House where I come from on the constitutional debate. I was one of the four in my party who disagreed with my party when the initial constitutional proposals were presented by Mr. Trudeau back in the 1980s. I felt uncomfortable

for a variety of reasons. One was the unilateral nature of the proposals by Mr. Trudeau at the time.

Perhaps essentially I felt uncomfortable because I thought we had in this country something that was very appropriate. To be sure we had to go to Westminster and the Parliament in England if we wanted any constitutional change, but really I was not losing much sleep about that fact. It would have been nice to bring it back home, to have some amendments occur back in Canada, but the notion of a written constitution was what disturbed me and it still disturbs me.

In a country as wide and as different as Canada, with all of its different regions and its different peoples, to try to define it in legalistic terms or to put it into little boxes is a recipe for disaster.

I prefer a common law type of British constitution that is organic, that changes, that allows elements and degrees and shades of grey and is not sharply defined. The former Prime Minister, perhaps because of his legalistic and Jesuit background, wanted things more precise, more defined. Many of the problems we face today are as a result of that.

Now we are trying to define reality. Well reality in this country is something that has to be loose. Living in the 21st century, the century where change is the constant, we want something that is loose, something that is organic, something that can grow in an organic way, rather than something that has to be defined and everything put in pigeon-holes.

Down the road, we go through the process of trying to define. We run into these problems all the time.

As I understand it, Quebec wants recognition in the Constitution in written form, that it is a distinct society. Well that now has to be defined and once it is then others are going to ask: "Well, what about us? Are we not also distinct?" By not mentioning others does that not single out one group? Yes, it is one of the founding fathers, or one of the founding nations of our country. To make them distinct does that mean that the aboriginal people are less distinct, or other groups are less distinct?

You get into this debate that goes on and on and on. It is like a debate on how many angels can dance on the head of a pin. To many people it begins to become unreal to them while their own lives, which are very real, are unravelling.

They look at us as a bunch of fools here on Parliament Hill talking about things that have no effect on their lives as their lives and their communities go under. I must say that I am in deep sympathy with many of my constituents on that.

In 10 minutes I will not attempt to go through all the proposals of the distinct society, of the economic proposals, of the proposals to change some of the powers in terms of the federal and the provincial governments.

In the end, it is a question that the people of Quebec really have to decide. I believe and my party believes they have the right to self-determination on this.

They must in the end decide whether to remain as part of the Canadian Confederation. In doing this they will look at various options and all we can do in English-speaking Canada is to attempt to work things out so that the aspirations of the people of Quebec can be fulfilled within the larger Confederation.

The process in the end might not be entirely rational either. There is a deep desire within the people of Quebec because there is a feeling that they are part of this union, part of this marriage and that it was a forced marriage. This is psychological; it is not logical at all.

Then at some stage this might be expressed in the form of a referendum where the majority of the people of Quebec will vote for something that changes the basic relationship between Canada's nine other provinces and the province of Quebec. I hope that does not happen. I hope that logic will prevail.

Let me put it this way. I have heard Mr. Parizeau and Mr. Bourassa and others in Quebec talk about the European Community as a model. I think it is a good model because we are living in an age of economic globalization and internationalization.

Certainly the demographics, the geography, the history, and the economics necessitate an ongoing close relationship between the province of Quebec and the other nine provinces and the territories.

• (2030)

Let us look at the European model. The European model is a case of where nations that used to be at war with each other in our lifetimes are now joining into a

union and are giving up significant parts of their sovereignty to form a larger union.

It is not just a trading agreement because out of the trading agreement is also a social agreement. It is an agreement on social policies, an agreement on the environment, an agreement on labour policies and so forth, to ensure that one nation does not have some economic advantage because it has lower wages or lower social policies in order to attract industry. In order to have a free trade type of integration, there must also be an integration of social policies, labour policies and environmental policies.

I would suggest to the leadership in Quebec, particularly the leadership in the PQ, that they take a close look at what a European model for Canada would be, what an economic union would mean. I would suggest to them that an economic union would not be far different from what we have today. In fact, I would suggest that in an economic union Quebec will lose powers that it enjoys today.

I do appeal to the leadership and the people of Quebec to rationally look at the situation. We can go through the angst, the trauma and the anguish of a breakup and then the reconciliation. But it is my deep hope that we can skip that, that we can jointly come to the realization that we have some good things going for us in this country. With God's blessing I hope we can keep our country together.

Mrs. Louise Feltham (Wild Rose): Madam Speaker, first I would like to express the appreciation of the people of Wild Rose for the opportunity to offer their views where they feel it will make a difference.

The people of Wild Rose believe in Canada. They represent a good cross-section of Canadians and their views are fair and honest.

They took the time to attend meetings on the Constitution, to telephone, to send me written comments and to meet with me personally to offer their advice. Now I am taking this opportunity to bring to the House their opinions, their ideas and their suggestions.

My presentation will be brief, for although the people discussed many topics briefly, they all placed their emphasis on two or three areas which were usually always the same. They discussed Senate and House of Commons reform, aboriginal self-government and a distinct society clause for Quebec.

They did dwell on the subject of special powers and a distinct society and that perhaps if one portion of Canada was distinct, the rest of Canada might have a lesser role to play in the making of a nation.

They understand Quebec's historical, cultural and linguistic differences. However, they have a definite reservation when it comes to the word distinct. They believe that the definition of the word means superiority and preferential treatment. They question that one Canadian because of heritage may be better than another one. My constituents believe that all Canadians are equal.

With reference to the subject of language, it is no secret that in my riding many people believe that Canada cannot afford two languages, that our population is not large enough to support the expense of two languages and that French should be the language of Quebec, while English is the language of preference outside Quebec.

One of the participants at the forum stated very eloquently his love for this country and all its distinct regions. Mr. Leatherdale stated that each and every province and territory brings to this country a unique and a distinct contribution.

On House of Commons reform, my constituents urged comprehensive parliamentary reform to the House of Commons and entrenchment of such reforms in the constitutional package. They would like the reform, which would allow members of Parliament to be responsive to the constituents and to reduce the adversarial tone of the House while improving the decorum.

On Senate reform, my constituents viewed reform of the Senate as essential. They strongly supported the creation of an elected Senate, equal and effective. They want to see the Senate continue, but in a new and a reformed manner. The solutions as to how and when varied, but all agreed that equal representation by province was needed and that in no way should Senate elections be linked with House of Commons elections.

Over all, the perception is politicians do not listen or are held back from voting the way constituents would like them to. Some believe this is the result of too much involvement by bureaucrats. They also believe that no vote in the House of Commons should be considered a confidence vote unless it is a special non-confidence

motion, and that votes that are lost should go back for revisions.

Aboriginal self-government should be studied in more detail. Interprovincial trade barriers should be eliminated and property rights should be enshrined. The federal government should also retain its jurisdiction over the environment. Difficulties could be encountered with some of these issues. However, my constituents wish to see parliamentarians study them more carefully.

Freedom of speech and opinions are important to Wild Rose constituents, and they welcome other voices and opinions because together the future is bright. Combined we can stand strong and free.

[*Translation*]

Hon. Chas. L. Caccia (Davenport): Madam Speaker, I would like to first of all thank the hon. member for Winnipeg South for her role up till now as chairperson of the special joint committee on the Constitution and for having expressed so well tonight the aspirations of the people of the West.

We too have consulted the people of the riding of Davenport.

[*English*]

In the month of July we mailed a booklet with questions to every household, and 162 people took the trouble to reply. At that time, eight months ago, the mood was quite different from that of today. Today the mood in the riding of Davenport is one of intense despair due to the fact that plants have closed and unemployment is high, gasoline stations are scheduled to close, people are running out of unemployment insurance benefits.

• (2040)

The general economic situation is in such a decline that people are even losing faith in the future of Canada. Therefore, for these reasons, Madam Speaker, as you have heard from many other colleagues who have spoken here tonight, the sense of confidence in the future of the country is progressively undermined. For this reason the population at large finds it extremely difficult to understand the purpose of the constitutional exchange, important as it is.

In broad strokes of the brush, those who have replied in substance say that they strongly favour one Canada. They express faith in a strong federal system. They express a belief in bilingualism as a binding force for Canada. They express a dislike for preferential treatment of any province. They express strong commitment to the cultural diversity of Canada. They express strong support for a unifying Constitution, as opposed to one that would parcel out Canada and make it a collection of 10 or 12 provinces or territories, communities or regions. As you can see, Madam Speaker, the perspective from a riding in west Toronto is obviously for strong federalism.

In reply to the question whether a constitutional statement on the nature of Canada should include our attachment to the two official languages, you may be pleased to know that 67 per cent replied yes.

In reply to the question whether a constitutional statement on the nature of Canada should include the diversity of our cultural heritage, again 67 per cent replied yes.

When it came to the difficult question whether a constitutional statement on the nature of Canada should include the distinct character of Quebec society, only 33 per cent said yes.

To the question whether a constitutional statement on the nature of Canada should include the recognition of the role of aboriginal peoples, an astonishing 81 per cent said yes.

Then the question was asked: Do you favour the free circulation of people, goods, and capital within Canada? Here, the highest percentage to any question came through, 93 per cent. Specifically on the elimination of provincial preferential buying policies, that elimination was favoured by 69 per cent. As to the elimination of interprovincial restrictions on trade, 86 per cent said yes. As to the elimination of interprovincial barriers to practising some professions, again it was in the eighties, 81 per cent said yes.

The question then was asked: Do you favour a reformed Senate in which senators would be elected? Here the reply in the affirmative was 85 per cent.

The next question: When legislation is passed in the House of Commons, do you believe that the Senate should have the right to amend it, the right to reject it, or the right to delay it for six months? The majority, 45 per

cent, favoured the right to amend it, followed by 31 per cent for the right to reject it. The lowest percentage went to the right to delay such legislation for six months.

Then the question was asked: Do you believe that the creation of new provinces such as Yukon or the Northwest Territories should be decided by the federal government in conjunction with all the provinces, or seven provinces representing 50 per cent of the population of the territories? Here strong support was given, namely 49 per cent in the affirmative, to the population of the territories to express such an opinion in conjunction with the federal government.

Then the question was asked: Do you believe that it would be important to involve the provinces and the territories in the appointment of federal Supreme Court judges? Sixty-nine per cent replied in the affirmative.

When it came to the question of raising the possibility of an impasse in the appointment of a federal Supreme Court judge as to who should have the final word, the options given were the federal government, the province or territory, or the federal chief justice. Here the largest number of support, namely 35 per cent, went to the federal chief justice.

Moving on to the last two questions, it is interesting to note that when it comes to seeking an opinion on whether unanimous consent of the federal government and all the provinces is required for constitutional amendments in matters relating to the office of the Queen, the composition of the Supreme Court of Canada, the use of English and French in certain situations, and the possibility of future amendments to the amending formula of the Constitution, the question focused on who should exercise a veto on these changes. Forty-nine per cent of the respondents felt that all the provinces should exercise the right to veto, followed by 25 per cent in favour of regional groupings, all of them. Unfortunately—and this reflects of course an interesting attitude that does not favour favouritism for one specific province—only one per cent favoured giving the veto power to Quebec.

Finally the question was asked whether a certain level of government would best be responsible for certain responsibilities. Without going into all the responsibilities, I will only highlight for you that communications was given 48 per cent of the respondents favouring a federal responsibility, education was given 41 per cent in favour of remaining a provincial responsibility, fisheries received 40 per cent favouring a federal responsibility, while housing was the preference by way of 61 per cent in favour of becoming a provincial responsibility, immigration was given 58 per cent for a federal responsibility, and unemployment insurance 43 per cent.

It was interesting to note that when it comes to environmental protection 56 per cent of the respondents felt this would be a shared responsibility between the two levels of government. This was the highest percentage expressed in the category of shared responsibilities, followed by 40 per cent being the next one, health care in the forties as being a shared responsibility the respondents would favour.

• (2050)

This is a snapshot taken, as I said, last July. It represents replies given to questions I did my best to attempt to formulate in a manner that would not be leading but as objective and unbiased as possible, which we all know is ultimately impossible. Nevertheless the attempt was made. I thank you for the opportunity of making this report to the House.

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Madam Speaker, it is a pleasure to participate on this historic occasion as we debate the future of our country. Lachine—Lac-Saint-Louis, which I have been proud to represent since 1984, is a unique riding in Canada, with almost a 50-50 balance between French and English speakers. It includes the four cities of Lachine, Dorval, Pointe-Claire, and Beaconsfield. I believe we are a great example of harmony and co-operation, particularly of French-English co-operation for Canada.

Canada Day celebrations are an example. Special events were planned last year by volunteer committees in Lachine, Dorval, and Beaconsfield, and over 10,000 people in my riding took part.

Lachine—Lac-Saint-Louis is a model example to the rest of our province and to the nation. We have our problems, but we have our solutions. We are a suburban riding at the west end of Montreal Island, surrounding Dorval airport. The prosperity of the whole Montreal Island is of great importance to the residents of our riding. For this, a renewed Constitution is very impor-

tant. The economy is important and success in our deliberations now is crucial.

I believe, and I sense that my constituents share this view, that the Dobbie–Beaudoin committee is developing a good track record. There have been many comments of support from my riding. We are beginning to see the fruit of their labours. Any who have watched this committee at work across the country in their direct hearings and in their participation in the many conferences will admire and respect this dedicated team of members of Parliament.

Just a short time ago I was a participant at the special constitutional conference in Montreal. Again in this dramatic and challenging way we are struggling to find the best method to resolve our differences. Our consultations with electors in Lachine—Lac-Saint-Louis included a questionnaire, a survey in one of my householders, and I received hundreds of replies and comments. They were not all complimentary, but most were. People are accepting the process. They feel they are now being listened to.

Finally I held two public opinion forums, open meetings in the riding: one just this last week and the other in November. They were all well attended. The debate and discussion was informed and the process is working. Our concerns from the west island of Montreal are first and foremost for a united and prosperous Canada. We must have a special sensitivity to all our neighbours, all our fellow Canadians, new and old.

Bill 178 in the province of Quebec is disliked by many, very evidently. At our open meetings this was the very first thing many of our participants would raise. Senator David was our guest in November at the public forum, and he said not everyone is in love with this bill. A young law student from my riding, Tasha Kerriddhin, a panellist at the discussion, said although the bill is not ideal it is a reality, and we must work together as English and French to eliminate the need for such a bill.

Dr. Goldbloom, a highly respected and broadly experienced member of the English speaking minority in Quebec, and now Canada's Commissioner of Official Languages, reflected the mood and sensitivities of our minority, the English speaking minority at the west end of Montreal and in other corners of the province, when he made a presentation to the special joint committee for a renewed Canada. He said: "In recognition of the distinct character of Quebec and of linguistic duality, we welcome the government's proposal of a Canada clause to entrench in section 2 of the Constitution Act of 1867 such factors as recognition of the responsibility of governments—governments, all of them—to preserve Canada's two linguistic majorities and minorities, as well as the special responsibility borne by Quebec to preserve and promote its distinct society".

Dr. Goldbloom went on, saying: "We find the non-limiting, yet well-defined description of the distinct society to be felicitous, and likely to allay the misgivings expressed in the past. While we acknowledge that the commitment to ensure preservation"—

[*Translation*]

—that means protection—

[*English*]

—of the existence of our official language minorities is a large step forward, we do not consider this wording the best possible safeguard or the most dynamic. We therefore advocate more positive wording that would foster promotion of Canada's English speaking and French speaking minorities and would support their development in keeping with the very objectives of the Official Languages Act".

I sense, as do my colleagues, that the goodwill and tolerance and moderation of all Canadians is expressing itself, and it will result in a solution to our current constitutional debates.

Time is a precious commodity, both in the over-all process and even here tonight, as I watch my time wind down. But ultimately my electors and I have confidence in this process and its eventual outcome. It will be positive for my riding, Lachine—Lac-Saint-Louis; my province, Quebec; my country, Canada.

[*Translation*]

I think I represent faithfully and honestly my constituents' feelings when I say that we should consider this country with our hearts. Let our vision be far-reaching like that of generations of Quebecers and Canadians before us. We will then be able to see this great country as our ancestors and Fathers of Confederation foresaw

the country and that our children hope to see, the country we love wish to continue to love.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I appreciate the opportunity given me this evening to participate, be it briefly, in this very important debate. Let me first say that my presentation will center mostly on the views of my constituents on this constitutional package and on the process in which we are all involved, that is the renewal of our Constitution and of our country.

I understand that this debate is mainly supposed to give us, members of Parliament, an opportunity to bear witness to the diversity of feelings expressed throughout the country on the constitutional issue. However, I hope that I will soon have the possibility to express my own ideas on that issue and on what is at stake in this case. Evidently, my thoughts will reflect not only my own concerns, but also the conversations I have had since my election with many constituents of Cape Breton Highlands–Canso.

• (2100)

Yesterday I was in Pomquet, an Acadian village of my riding, for the opening of their winter carnival. Pomquet, which was founded in 1761, is a community located about ten kilometres east of the village of Antigonish and surrounded by various cultures, including Scottish, English, Micmac and other cultures established there for many generations and which have been increased by immigrants in the eastern part of Nova Scotia.

Looking at people taking part in the carnival, it was very clear that Pomquet is a community which is very proud of its origins and very proud of its culture, of how they could maintain their French language. In addition, it is a community where people get along well together.

[*English*]

Pomquet is like many other communities in Highlands—Canso, populated by people who are steeped in tradition and people with a proud and deep knowledge of their heritage, whether they be Acadians, Scots, English, or United Empire Loyalists who have come and settled in the county of Guysborough, or even the descendants of the southern slaves from the United States who lived in communities such as Lincolnville and Sunnydale. They are people who are proud of their heritage, whatever it may be, and who have grown together to live in harmony with each other in the areas of eastern Nova Scotia.

The important fact about these communities is that we get along. We are able to recognize and accept and rejoice in the differences we have as a result of our cultural heritage. Perhaps one of the best expressions of this is in the music, particularly the Scottish highland music, which has been developed mostly in Inverness County and has spread across the constituency. It has been passed down from generation to generation and exported beyond our borders and around the world. It has been borrowed and enriched by the Acadians, by the Micmacs, and by other groups who have found such pleasure in it.

The point of this is that the people in my constituency of Highlands—Canso want Canada to work like their communities work. They are not preoccupied with the fine points of constitutional reform for the most part. They are more preoccupied with the mundane business of making a living, of feeding their families, of finding a job and keeping a job, and of growing and preserving their community and their culture. They believe fundamentally that is what is possible within this wonderful country called Canada. They want Canada to work and to reflect the kind of mutual respect that is so present in the communities of Highlands—Canso.

Although my constituents are somewhat perplexed that we as politicians and as experts in the constitutional field have had such difficulty in resolving these seemingly intractable differences, they have joined in this collective search for constitutional resolution and have responded. For example, last summer I sent out a survey to my constituents in the form of a householder, and they responded.

I would like to give you a brief synopsis of some of the salient points that I received from my constituents on some of the constitutional elements.

First, regarding official languages, two-thirds of the respondents want to include some recognition of our official languages in a Canada clause.

Second, regarding cultural diversity, 83 per cent want to include a statement on cultural diversity in the Canada clause such as what I have just spoken about in

terms of the community and the cultural diversity which exist in my own constituency.

Third, with respect to aboriginal Canadians, 83 per cent voted to recognize a role for aboriginal people in the Canada clause. There is a deep respect for aboriginal Canadians and a deeply felt need that our first citizens need to find their proper place in our Constitution and in our country. That is from people who live in close proximity and intermingle with native people in the constituency.

Fourth, with respect to a distinct society, respondents were more evenly split on whether to include a statement on the distinct character of Quebec in the Canada clause.

Regarding the Senate, 87 per cent wanted a reformed Senate that would elect senators and only 3 per cent wanted the Senate abolished. Views were split on whether the Senate should be able to veto or only review appointments and whether they should be able to reject or just to amend legislation.

Regarding interprovincial trade, an overwhelming majority favoured free circulation of people, goods, and capital, eliminating preferential buying policies, eliminating trade restrictions and eliminating barriers to practising some professions.

Regarding future constitutional change, people were split on who if anyone should get a veto.

Finally, regarding the division of powers, with the exception of communications, immigration, and unemployment insurance, the majority of respondents favour shared federal-provincial responsibility for issues such as education, fisheries, health care, housing, language, natural resources, environment, and training.

Generally, though, most of the comments that I have received in response to this questionnaire and in letters were positive, constructive and have exhibited great hope and optimism for Canada and for our future and a determination to make Canada work.

I received many letters, and I continue to receive letters on the Constitution expressing the need for us to get on with the business of resolving our constitutional difficulties and to build a better Canada. I would like to quote from a couple of these.

In addition, I also received a tape which is from a Mr. Carl Cann in Baddeck who expressed in a very moving oral testimony what he thought was wrong with the current process. I would like to table this tape for the use of the committee.

I wish I had more time, but I will conclude by reading excerpts from a letter received from Robert MacRury who expresses a sentiment that is shared by many in my constituency.

He writes: "I want to remain a Canadian. My ancestors have been in this country since at least 1758 and we have fought for this country in every war and defensive action that she has ever been in.

My dad lost his best friend and first cousin in Belle-sur-mer, France and was one of the first Canadians killed on the beaches of Normandy. My uncle was shot up in Holland and he also got some shell fragments in his back and he survived these two wounds.

Many of my grand uncles were in the first war and my great-granddad was in the militia when they were preparing to fight the Finians. When he finally got paid for this 40 years later, he was one of the three of his unit that was still alive and able to collect his pay.

Some of my ancestors were United Empire Loyalists and they were forced to flee the U.S.A.

• (2110)

I am sure that the people of Quebec and other parts of Canada have as deep and as long an attachment to this country as I have and that our differences are small and the things that make us the same are great just like Canada."

This reflects a sentiment that is shared by the vast majority of Canadians.

[*Translation*]

Mr. Jean-Pierre Hogue (Outremont): In fact, Madam Speaker, I would like to reiterate what my colleague has just said. It is a fact that you are known in this House for your kindness. Like he said, you are so kind. Congratulations.

I think the people of my riding of Outremont reflect just about all ideological positions in Canada. This riding is made up for the main part of French-speaking Canadians. However, in the western part of the riding, which is know as the Côte-des-Neiges district, live many Canadians of various ethnic backgrounds. Those can also be found in the eastern part of the riding as part of a

population both homogeneous, because it lives in Outremont, and heterogeneous, because they each have their own cultures and personalities. A few months ago, I asked my constituents to fill out the questionnaire included in the newsletter I sent out. We then compiled the results and published them in a subsequent newsletter. I intend to submit these results and this whole file to the committee, as many of my colleagues have done.

Besides the questionnaires and the formal and informal meetings, there were our daily contacts with all these interesting people which stimulate the debate at all levels—intellectual, financial as well as emotional. I will try and summarize this for you in the few minutes I have left, but I will submit in writing the position that ensues.

I suggest that this debate is part of a necessary and very healthy process toward shaping the future of our country. Again, I thank you for this opportunity to express my views on this issue, to speak on behalf of the community so that we can do our share in looking for a solution to this problem that concerns all Canadians. I will not have time to get into the whole issue of the Constitution. I would need several hours to deal with the various aspects we have to consider when we think of the future of Canada. So I will merely raise specific points, including the cultural issue and the concept of a distinct society. And I may occasionally make use of information and briefs we received from a number of associations and individuals at the committee on communications and culture.

Finally, it can be said that culture is expressed by how one thinks and how one lives, how one senses and approaches reality. It would be a combination of what people in a certain area see as their history and what they reflect in their behaviour. This culture, which is constantly evolving while maintaining certain basic givens, reinforces sets of values and causes a whole society to reach certain heights of achievement. We can say that all the elements of our cultural values will affect the values and cultural manifestations of others. French speaking Canadians are not French, any more than English speaking Canadians are American or English. We are Canadians, with our own identity, and hence our similarities and differences. And that is what we must protect, share and develop.

We must also realize, that economics exist as an extension of culture, since the relationship between economics and culture is not one of equals.

We have examples across the world that show us that countries value their identity and sense of belonging before they value economics. Great Britain is unwilling to adopt a common currency because it believes that in so doing, it would adversely affect its culture and way of life.

Quebec's society has always seen itself as being distinct. The desire for recognition has always been there. However, I think it is time to get rid of the idea that being distinct means being superior. Nothing could be further from the truth. Distinct means there is a difference. It means a desire to be accepted for what one is, with one's strengths and weaknesses. In fact, Madam Speaker, feminist movements have always asked for women to be recognized as distinct from but equal to men. The same applies to aboriginal people. I think that soon we should stop talking and be reconciled with reality, which is beckoning.

Before changing the subject, I would like to add that the influence of different cultures actually reinforces our own identity, and this paradox is even more astonishing in our present world of instantaneous communication. On one hand, one must recognize the unity of the nation, which must have a certain size to be able to exist and trade with other nations in a satisfactory, profitable way that does not unduly call into question the various aspects of its national identity. On the other, the critical mass of the smaller groups that make up the larger whole must be preserved so that they are not assimilated to the detriment of the various regional entities.

That being said, I will touch on a few points in the time I have left. When the government tabled its proposals on September 24, 1991, at the same time it invited all Canadians to contribute to a real political renewal of their country.

The government has indicated many times that the proposals are a starting point. However, they are all interesting approaches to building a better Canada that will let us achieve our common goals while respecting our diversity.

Canadians' identity and values are at the forefront of the constitutional proposals. We plan to add to the beginning of the Constitution a Canada clause which would define us as Canadians and set forth our common aspirations and values, especially the respect for diversity

that the country and its inhabitants are prepared to defend.

The participants at the Toronto conference gave eloquent testimony of this willingness on the weekend when they recognized the distinct character of Quebec society and said that they agreed with including this recognition in the Constitution. But while each of these cultures makes up our Canadian heritage, the government should recognize the distinct nature of Quebec society and Quebec's need to protect and promote its character as a society where most people speak French.

Since the aspects of institutional reform and a more prosperous future for Canada were not dealt with as such in the questionnaire, I would prefer to stop here.

• (2120)

I will move on to some other issues, such as the aboriginal one which I touched on a few moments ago, and on which I will dwell a little. Given the importance we attach to the role and the contribution the first inhabitants of this country have made and will make to the progress and prosperity of Canada, the aboriginal right to self-government constitutes one of the pillars of the proposed constitutional reform. Members of the First Nations will then have the right to devise their own solution to the problems affecting their own society, the right to take their own place in the Canada of tomorrow. If we cannot change anything to the past, we can see to it that our aboriginal people are masters of their future.

In closing, I would like to reiterate how great a country Canada is. How many times will people from outside have to repeat it before we begin to really believe it; Every day we are enjoying conditions of living that are the envy of other people on this planet. In all honesty we cannot act in such a way that our children will be deprived of all that makes our life so enriching.

It is our duty as Canadians to work together to foster dialogues that will assure national unity, economic stability and the needed degrees of autonomy for the provinces. The proposals tabled by the government have set off a process, the success of which only our efforts can guarantee. Now is not the time to give up.

The Constitution

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I am very pleased to participate in the debate on the work done by people regarding the Constitution.

[*English*]

As a member of the special joint committee on a renewed Canada, I have had the opportunity over the last few months to hear many views on the government's 28 proposals for constitutional reform.

I would like to begin my address by extending a very special thank you to all of the people who took the time to come and address the committee. They were extremely helpful to us in attempting to find solutions to this tremendous challenge that faces us.

As well I want to extend great appreciation to those many Canadians who would have liked to appear before the committee, but for a lack of time and a number of other reasons, were unable to do so. They deserve special thanks as well.

I hope hon. members will forgive me if I pay a special tribute to my own constituents who took the time in a number of ways to inform me of their views on a number of critical issues that are found within those particular proposals.

Many of you will know that the constituency of St. Boniface is very close to the geographic centre, east-west of Canada. It, as well, has access to our great north. We have a majority of English speaking citizens with an important minority of French speaking citizens, almost 20 per cent, and of course, we have important representation from our new Canadian communities as well as our aboriginal Canadians.

How did my constituents participate in the debate and help to inform me? There were phone calls to both the Ottawa and Winnipeg offices. There were a number of well thought out letters to me indicating concern, identifying priorities and both the telephone calls and the letters were extremely useful.

I also managed to meet a broader range of constituents through three hearings which I held. The first one was on January 6 at Dakota high school. The second one was on January 7 at J. H. Bruns Collegiate which is the centre of the constituency. Dakota is in the south. On

January 8, there was a meeting at College Louis Riel which is in the northern part of the constituency.

At these town hall meetings, I heard comments such as the following. I want to share them with my colleagues here and my fellow Canadians who are listening. Here is one quote that came from one participant: "Having lived in many provinces as well as Africa and Europe, I have realized that Canada is a wonderful place to live and that it is rich in its variety of people". The person goes on to say: "In a community there is room for differences and acceptance that people do different things in different ways".

Those were some of the thoughts that were shared with me. I was also invited to speak at a number of schools. I realize, as I know a number of my colleagues do, that the Constitution is not only for ourselves, and those slightly younger or slightly older, but for our children and their children and those who will follow. I was invited to Collége Jeanne Sauvé on December 16, at George McDowell School on December 18, at the Nelson McIntyre Collegiate on December 19, at l'École Provencher on December 19, at l'École Louis Riel on December 19—it was a busy day—and at Pierre Radisson Collegiate on December 20.

[*Translation*]

At Louis-Riel College, the format was extremely interesting. Some students had prepared a number of questions to examine the three sections of the government proposals on the Constitution, from the document entitled *Shaping Canada's Future Together*. The students asked me numerous questions that I truly appreciated.

[*English*]

The students of George McDowell School, even though they were a bit younger, as I recall it was a junior high school, asked many interesting, pointed and challenging questions, and I salute them and extend my appreciation for their preparations as well. Also, there is a very special thank you that must go out to the students of the Grade 11 history class at Jeanne Sauvé school whose teacher, Hélene Roy, sent me the fruits of their deliberations.

[*Translation*]

These students also gave me their own suggestions concerning the Canada clause. Among the values that they would like to see included in that clause are: the promotion of a sense of pride, belonging and unity within the Canadian pluralistic society; the promotion of tolerance among Canadians, regardless of their origins and differences; offering to all Canadians the possibility to develop their potential, wherever they live in the country, and to have equal access to employment, as well as equal treatment in the workplace; facilitating the development of the full potential of all aboriginal peoples in the aboriginal languages, and guaranteeing their total autonomy while respecting their fundamental rights as full-fledged Canadians.

[*English*]

I also held an open house in the constituency on January 11, and further, I distributed a questionnaire on constitutional and national issues in my fall 1991 householder.

There were, of course, people who were unhappy about certain aspects of the government's proposals and there was some criticism of the committee's deliberations, particularly in its initial stages. But generally, there were some positive remarks as well. I want to share some of those remarks with you and some of those views.

Let me deal first with the questionnaire. People rank Canadian unity within the first half of the issues that I brought to their attention. They really felt that it was something that was essential to us as Canadians. In addition, 86, almost 87 per cent, of those who responded were in favour of a Triple-E Senate; elected, effective and equal.

There was some significant concern expressed as to the meaning or ramifications of entrenching the distinct society clause in the Charter of Rights and Freedoms. After debate and discussion, which brought forward many different opinions and proposed solutions, I think it is safe to say that a few general themes emerged among the constituents of St. Boniface. Many more Canadians, as are my constituents, are far more preoccupied with the present economic situation than with the Constitution. The lay-offs, the bankruptcies, the poor, the unemployed, the food banks are really a great concern to them. In fact, 64 per cent, just a few more, of those who answered the questionnaire felt that we should not be discussing the Constitution at this particular point in time because there were more pressing issues

and because it was a particularly delicate time to be dealing with it.

However, there was a realization that if we needed to do it, and a grudging acceptance that perhaps it was necessary because perhaps economic development is linked to constitutional stability, then there were a number of urgent priorities. If I have understood my constituents well, as well as fellow Canadians who have spoken to me as I have travelled with the constitutional committee, these are the most important concerns. There is an acceptance, a desire, that the inherent right to self-government for Canada's aboriginal peoples be realized; that there be a reformed Senate. There is a clear preference for the Triple-E. They want a Canada clause that truly reflects the reality of a very diverse multicultural, pluralistic Canada. They ask that we deal with the division of powers without neglecting the minorities and what they have acquired over time. The question of distinct society for Quebec is also a great concern and one that needs to be dealt with.

• (2130)

Although there is a sense that accommodation is necessary, the message is really quite clear. The message is as follows: It is not appropriate to move on just one of those main points, the distinct society, a reformed Senate, aboriginal self-government, the Canada clause or the division of powers. We must move on all of them in order to get an agreement that will respond to as many needs of as many Canadians in as many parts of the country as is possible. There will be very little progress unless we can do so.

I should point out that Canadians from my constituency and I think throughout the country want a Canada clause that reflects the values and visions we have as Canadians. They also want the preamble to properly reflect the founding nations of this country and the contributions of all of those who have chosen Canada to make their home.

The division of powers is presenting a real challenge to many Canadians. We have used asymmetrical federalism as a possible way out, but it makes a lot of people nervous. They are not sure what it means, whether or not we will grant special status, whether or not we will favour a particular group over others. They want that looked at very carefully.

They are very worried about weakening the power of the federal government with respect to a number of programs: medicare, education, language rights for official minorities, culture and communications.

Among the constituents of St. Boniface, the economic proposals in the government's package are very important. They wondered whether or not the best way to treat it was within the Constitution. They also wanted a possible inclusion of social rights within the Constitution.

I would like to thank all Canadians, particularly my constituents of St. Boniface, for having contributed to this debate, for having informed me and for having enriched my life. I believe that the nation is still at risk, but if we are willing to look at each other's needs and respond generously to them, Canada can become a stronger, more united country.

I wish to complete my remarks by saying that we should build a nation by protecting rights, by building upon them and by responding to those who have been neglected with an appropriate and generous response.

I want to remind the House of what Sir John A. Macdonald had to say about this country a little over 100 years ago. I shall complete it very quickly. It is a statement which is very applicable today, and I quote:

> If I had influence over the minds of the people of Canada, any power over their intellect; I would leave them with the legacy: whatever you do, adhere to the union. We are a great country and shall become one of the greatest in the universe if we preserve it.
>
> We shall sink into insignificance and adversity if we suffer it to be broken.
>
> God and nature have made the two Canadas one. Let no factious man be allowed to put them asunder.

Mr. Dave Worthy (Cariboo—Chilcotin): Madam Speaker, home for me is Cariboo—Chilcotin, an area of the country that is truly spectacular and is matched only by its residents who are friendly, feisty and definitely outspoken. They would be the first ones to tell you that they are Canadians first and British Columbians second.

Over the past months many of these proud Canadians from the Cariboo have expressed their concerns to me. Some have written, some have stopped me on the street and others have dropped into my office. Most recently I was able to attend and participate in four town meetings organized by different communities.

At each of these four meetings I posed a question to the people attending: "If Canada did not exist today, would it be worth inventing?" My constituents were unanimous in responding with a very resounding yes. However, the Canada created might be different than the one we know now.

The meetings we held were highly charged and emotional. They included Cariboo—Chilcotins from all walks of life; ranchers, municipal leaders, natives and business people. A wide range of views were heard, both positive and negative. Basically, they all wanted the opportunity to speak and, more important, to be listened to.

It would be obvious to anyone attending these meetings that there was a great deal of anger toward certain topics in particular, and in particular, bilingualism. There is a perception that French is being forced down their throats. As one constituent stated: "We need language by choice, not by legislation". Why are they so angry? Most have never been exposed to French. They do not see it unless it is on the back of a cornflakes box. If you probe that anger, Madam Speaker, it comes down to what they see as a form of unfairness, a forced or legislated bilingual policy for some, and yet what they see as a denial of basic rights to a minority in Quebec as a result of the now infamous sign law. There is no question that this has become the lightning rod for their anger.

There is also concern about the cost of maintaining not only bilingualism but also multiculturalism. Why, they ask, should they pay for something they see as unnecessary? Why should they pay for something they believe creates irritation and division among Canadians? One Canadian, originally from Hungary, made this reasoned and somewhat passionate appeal: "Canada is a country that accepts and encourages Canadians from other countries to retain as much of their culture and heritage as they want. However, we run into problems when we start creating government departments and funding whose sole goal is to encourage immigrants to live among themselves and to amplify their differences".

This anger I am reporting on is an honest anger and it is deep-rooted. They are very leery of special status Canadians, or what some refer to as hyphenated Canadians. For some, anger and negative criticism was all they could offer. Yet for most there was a strong desire to focus on what will keep us together, and not what will push us further apart. Most of the discussion on keeping us together focused on three issues, not surprisingly the same three issues most of the country focused on: Quebec as a distinct society, Senate reform, and aboriginal self-government.

A lot of the tension was focused on Quebec. However, the Quebec issue is one where I have noticed a real swing in opinion over the past year. This time around I got a real sense that they have come to accept, albeit somewhat begrudgingly for some, that Quebec is a distinct society: they have a different language and a different culture and therefore different needs and interest. As such, they can accept and accommodate Quebec into the country as a distinct society, but that acceptance is conditional. Distinctiveness can be accommodated, but it must be done with both fairness and honour for all other regions and provinces. As one constituent put it: "I have no problem giving Quebec what it wants, as long as it is done within the framework of Canada and as long as it does not weaken us as a nation".

The next issue I will address is that of Senate reform. As we all know, Senate reform is a hot topic in western Canada. The Cariboo is no exception. Everyone agreed that there is a need for a change. The difficulty was in deciding on what kind of change is needed. There was the expected support for a Triple-E version of the Senate, but there were also some who did not see this as a total solution. Others felt the Senate as a house of sober second thought is needed, but if it is to be truly functional, then its partisan nature must be reduced and minimized.

One suggestion was to restructure the process so that the Senate veto can be overruled only if it can command a two-third majority vote in the Commons. There were others who saw no need at all for the Senate, but they continued that if it does remain then the representation should be structured in such a way that costs are kept to a minimum.

While there was some disagreement as to what changes were needed, there was no disagreement on the desired result. If I may paraphrase a constituent, we have the House of Commons, an elected body representing the people. What we need out of the Senate is something that will adequately represent the regions while keeping in mind the best interests of the nation.

• (2140)

There is no question that the people of Cariboo—Chilcotin believe that the Senate as it is now constituted is unacceptable. Either abolish it or reform it, they told me, but it must be changed. While we are at it, they suggested that the Commons could use a little work as well: less partisanship and more free votes. Our governing institutions must ensure that the needs and interests of all regions are better looked after.

Unfortunately, when it came to some issues, such as Senate reform and distinct society, there were some in my constituency who threw their arms up in the air in exasperation. As one editorial stated: "Quebec and the other constitutional issues are just too far away from the Cariboo for the local people to take them seriously".

If there is any issue that brings this constitutional debate home to us in the Cariboo, it is that of Canada's first citizens. The Cariboo—Chilcotin's population is nearly 20 per cent aboriginal, representing 32 different bands. In some communities the majority of the population is native Indian. It is the people of these communities who will have to live with the solutions we create, and it is their co-operation that will be instrumental in making the process work.

Most agreed that self-government is both desired as well as necessary. But as was the case with Quebec, autonomy is conditional. It too must be achieved within the confines of Canada. As one constituent said: "Native self-government must include both rights as well as responsibilities, and it must be restricted to within the over-all Canadian system".

The situation as it exists presently is unacceptable to natives and non-natives alike. There is a reliance on a system that is overly paternalistic. It is a system that stifles economic, social, and cultural independence, and it is a system that both natives and non-natives alike want to see dissolved.

There is little doubt in my mind that everyone who participated in the meetings came to understand that this is not an easy process, but few would disagree with the need to find a unity solution. There was a great deal of pride expressed in being Canadian, and in the end I think this is what helped us to get past the irritants and begin to look for constructive solutions.

One mayor said it best when he approached me a couple of days after a particularly stormy session: "Frankly I am embarrassed by what was said the other day. I realize that we were allowing the irritants to get in the way of presenting constructive solutions. I know that when you return to Ottawa you will have to do better than that. I hope you will look past the anger and remember that we love this country and we expect that you will do what is necessary to keep it together".

It is evident to me that the people of the Cariboo want to see this nation remain one, a nation that embodies basic fairness and one with the wisdom to acknowledge its obvious differences, differences that can make us stronger. This is the Canada those in the Cariboo want to be part of.

There were many voices from the Cariboo that comprise what I have conveyed to the House tonight. I know that many of them will have heard themselves in the words I have used. It is only fitting that I close my comments with the words of one of Cariboo's older and I suspect possibly wiser constituents. She said: "Being Canadian should be something of which we are proud. Being Canadian should be something which we practise".

Mr. Murray W. Dorin (Edmonton Northwest): Madam Speaker, it is an honour for me to rise this evening and present here in the House of Commons of Canada a report from the citizens of Edmonton Northwest. Like my colleagues from all parts of Canada, I have received thousands of communications from constituents concerned with the unity of Canada. I have received letters from seniors who have built this country, veterans who have defended our democratic institutions, students who will inherit the responsibility for this country, business people and people from all other walks of life.

Many of my constituents are worried that our country will come apart over our differences. Many express anger over the perceived inability of elected persons at all levels to solve some very serious problems in society.

We are all aware in this House that Canadians want facts in order to help them decide important issues, not mixed messages and old time rhetoric.

In general, my constituents tell me that they are no longer satisfied with the old ways of constitution-making. It may have been okay for Sir John A. Macdonald in 1867 and even Pierre Trudeau in 1982. However in 1992

Canadians want to be consulted on the issues of the economy and the Constitution.

In the spring of 1991 I mailed a questionnaire to every household in my riding, to 40,000 homes representing 80,000 constituents in Edmonton Northwest. I have in my hand a copy of this householder entitled "Constitutional Survey -Edmonton Northwest. What do Albertans want?" This householder provided background information and asked 26 detailed and sometimes lengthy questions.

The response from Edmonton Northwest was outstanding, in that 1,000 households replied. I want to publicly thank these good citizens and assure them that I am representing their views in the House of Commons to the best of my ability. At every opportunity I discussed the results of my polling with my caucus colleagues.

My constituents realize that the economy and the Constitution are inseparably linked. They realize that there are fundamental problems with the rules set in the Constitution that are impeding our economy.

Provincial trade barriers were seen as a major irritant. Measures to improve the underlying framework of our economic union are being favourably received by many more people than the media reports. They are adamant that the federal government maintain a strong role for the economic well-being of Canada. They said that the government should continue to develop policies that will assist in meeting the challenges of the international community.

My constituents told me that education and training are necessary services of governments needed by Canadians to create jobs in a competitive world. They repeatedly told me to accelerate the deficit reduction measures so that tax dollars could go into these services or to provide some tax relief.

My constituents are, quite rightly, angered when they are shown the books and realize that 36 cents of every tax dollar is lopped off the top for interest payments on the national debt. Thankfully when I had the opportunity to explain the situation and discuss the government's progress in cutting costs, they were usually satisfied that Parliament has been doing a good job.

To summarize the central themes from the 26 detailed questions, my constituents in Edmonton Northwest wanted to see first and foremost a mechanism for increasing regional representation in federal institutions. Senate reform was most frequently mentioned.

Also, my constituents wanted a change in the process that has been followed since Confederation of constitution-making by first ministers. Like other Canadians, my constituents wanted to be more involved in the public debate and to have more control over the adoption of constitutional amendments.

The actual instrument of control was not crucial. Many cited referendums as the only way to have democratic ratification. But others realized that there are many ways for society to come to consensus on major issues.

My constituents gave a high degree of importance to providing in the Constitution means for native populations to achieve self-government and self-reliance; to empower governments and individuals with the ability to protect the environment; to empower the federal government with the ability to provide economic leadership in the major policy areas, while bringing the administration of services to a more local level of government perceived to be more responsive and accountable.

Issues that were raised which were not directly related to the Constitution yet shaped the context of the constitutional debate dealt more with the efficiency of government and a distaste for the overlap of bureaucracies.

My constituents did not approve of a large scale decentralization of powers. However they did express a desire for more clearly identified roles and responsibilities.

In fact, when asked for their preferred model for a Constitution, 72 per cent favoured either the *status quo* or a modest re-alignment of powers between the two levels of government.

Madam Speaker, 64 per cent of the respondents to my poll said they would favour a re-alignment of tax laws so that the government that is responsible for a particular service be responsible for taxing us for that service. This is a very direct signal to policy makers. Constituents feel as if they are being taxed without representation.

On the other hand, 74 per cent of the respondents insisted that the federal government have the authority to set national standards. I was not specific enough about this question. However, I think it is generally assumed that when we speak of national standards in Canada, we are speaking of health care, post-secondary education and similar programs, all of which are in provincial jurisdiction, funded in large measure by the federal government through transfer payments.

• (2150)

I draw attention to these two specific results to point out that the current system was an appropriate set of arrangements to meet the challenging and somewhat opposing public goals of local responsibility for service within standards set and largely funded by an outside body. Surely federal and provincial governments can streamline operations and find formal ways to eliminate duplication and improved service to the taxpayer.

I for one welcome the government's proposals to streamline and co-ordinate public services to save the taxpayer money.

My constituents value their Canadian citizenship. They were resolute in the desire that Canada remain a united country. They are proud of our charter of rights and 45 per cent indicated they would like to see extensions to the enumerated rights, property rights being most often mentioned.

As well, 61 per cent expressed a desire to abolish the notwithstanding clause. Although it was inserted at the insistence of western premiers, it has been used to infringe on minority rights. In fact the notwithstanding clause was seen as the cause of many of the irritants that some are speaking of these days.

I am told often by constituents that more needs to be done for the environment. Obviously my expertise is in the realm of public finance and my communications often reveal that. Therefore I must take this opportunity to state and affirm on behalf of my constituents here in the House of Commons that they are fearful of irreversible damage to our national environment and to public health. One constituent said: "If we do not fix our environmental deficit, then what will our efforts to fix our money deficit achieve? Our children will still be deprived of living in a healthy world".

This citizen spoke for many other constituents within my riding. In fact, 36 per cent of respondents to my survey said they thought environmental protection should be a responsibility of the federal government, 40 per cent would accept shared powers, but only 15 per cent would leave this crucial aspect of public policy to the provincial governments.

Canadians are telling us that they consider environmental protection to be of utmost concern. Even during these uncertain economic times they remain resolute. They want a strong central government to protect citizens from misguided development projects and from local governments competing to lower environmental standards.

Canadians want strong federal leadership to press the world for international environmental protocols and to have the fiscal authority and ability to use public funds for environmental causes.

At no time in our nation's history have the Canadian people been more a part of the development of constitutional proposals. The Spicer commission brought Canadians from coast to coast together to air grievances and give politicians direction. Every conceivable effort was made to provide opportunities for Canadians to express the values and aspirations that bind them together and to identify problems in our system.

A special joint committee chaired by my colleagues Mr. Edwards and Mr. Beaudoin heard from Canadians on the amending formula of the Constitution. Canadians in my riding and across the country told this committee that they were wary of extending the unanimity requirement. Canadians said they were comfortable with the current requirements that seven provinces with at least 50 per cent of the population were required for passage of constitutional proposals.

Canadians have participated in provincial committees, national forums, in federal committees, and will again be consulted after new proposals for constitutional renewal. I am grateful for this opportunity to summarize views expressed by residents of Edmonton Northwest and ask that all members consider these views.

Mr. Larry Schneider (Regina—Wascana): Madam Speaker, I am absolutely delighted to have the time in Parliament, limited though it might be this evening, to give the response of the constituents of Regina—Wascana on how they feel about the Constitution. There is no question in my mind that the earlier comments received

by our offices both here in Ottawa and in Regina have been by and large letters from constituents saying get on with the job, we have much more important things to do such as the economy. Yet I cannot help but think that now the importance of the Constitution has come before our constituents they have felt as I do that indeed the Constitution must be addressed. Without a resolve to solve the constitutional crisis we will not have an opportunity to have a Canadian economy.

Before I go into my summation of what the constituents have said to me thus far, I would first of all like to thank the constituents particularly for their patience.

Regina—Wascana is indeed a true test of one's intellect when comparing that with the constituents' because I probably have a higher level of intellect in the constituency of Regina—Wascana than other constituencies, and I say this with all due respect to other colleagues and their constituents, having the Saskatchewan Indian Federated College, Canada's first accredited university for Indian people in Canada as well as the University of Regina and, as well, just simply the cross section of people whom I represent.

When they come to testing you, you know you have been tested. I take the responses that I got to the questionnaire that I sent to the constituents to be a response that has been well thought out as best they can given the information that they had, and one that will truly bind me.

We are receiving in the order of about 30 responses a day now. The initial influx of responses has subsided to some degree and until such time as I am comfortable that we will have received all the responses from the people who are going to communicate with our office, I will not attempt to propose that the results I am going to give you tonight are final.

I do propose to give you a figure that will show a trend. This will be a report card. It will not be a statement of philosophy. We will save that for the final report, and indeed the report card I think you are going to find interesting as I did.

Coming from Regina—Wascana, primarily a western constituency, one is liable to think that first of all the very weighty issue of Quebec's distinct society clause which we have heard so many negatives of in the past would be held true to form in my constituency. I am pleased to report that in a particular item as one of the 28 proposals presented by the Government of Canada to the constituency general in Canada, in the constituency of Regina—Wascana there was an acceptance of the distinct society clause.

I can tell you that when I read that, it gave me a tremendous amount of relief because I thought that perhaps representing a western constituency, I would be hard pressed to see that kind of support. It was not unanimous. I do not want to say for a moment that it was unanimous, no, but it was approved in a majority. The distinct society clause as presented in one of the 28 was supported by a margin of constituents from my constituency that I say at the outset gave me great relief.

As a matter of fact, when I read all 28 proposals and the numerical results, I find that other than in areas where the constituents did not understand the precise meaning, such as question 23 for those who are following my remarks and have their forms in front of them, one with respect to the federal government and its declaratory powers, the majority of them were brave enough to say they were undecided. As a result, that tells me they did not understand the question, but as we go through the many categories, the very first one, shared citizenship and diversity, again a good substantial majority with respect to point one.

I mentioned point two, the matter of the distinct society clause. Our constituency accepts that wholeheartedly.

Point number three, that is the matter of the aboriginal participation in the current constitutional process, a very significant number. I would guess without calculating the percentages that 75 per cent of the people felt that the aboriginal community should have a stronger role to play in the development of a Canadian Constitution.

That holds true to point four, aboriginal self-government and the aboriginal constitutional process. As well, there is point six, the representation of aboriginal peoples in the Senate. We find a declining number of people who are supporting these items as I proceed, items three, four, five and six, but nevertheless, in the majority.

We find people rather strongly agreeing on some items. We look at the column entitled "agree" and we have to extrapolate that. When one goes from strong agreement to general agreement, perhaps there are

slight reservations. Over all, the principle of items espoused are generally accepted.

A Canada clause in the Constitution, I cannot help but feel from the people whom I have spoken to in the past that yes, indeed. How can I define what it feels like to be Canadian when I have no guidance or no leadership in this particular area.

I think that item seven dealing with the inclusion of a Canada clause in the Constitution seems to address Canadians' lust for truly wanting to be Canadian.

I see my time is rapidly passing me by and I have merely got into the first third of what I was going to say this evening. It is obvious that there is much more that I will have to say with respect to the report card that I will be presenting to the House of Commons from the constituents of Regina—Wascana.

I should close out of respect for the clock. I encourage those who have not taken the time to fill out these forms, to do so because I will be collating all the data that I have received from my constituents as well as all individual comments and will be responding to the residents of Regina—Wascana.

Again, I want to say to the residents of my constituency, how relieved I am that they have accepted these 28 proposals and accepted a united Canada.

Madam Deputy Speaker: It being ten o'clock p.m., pursuant to order made Wednesday, February 5, 1992, this House stands adjourned until tomorrow at ten o'clock a.m. pursuant to Standing Order 24(1).

The House adjourned at 10 p.m.